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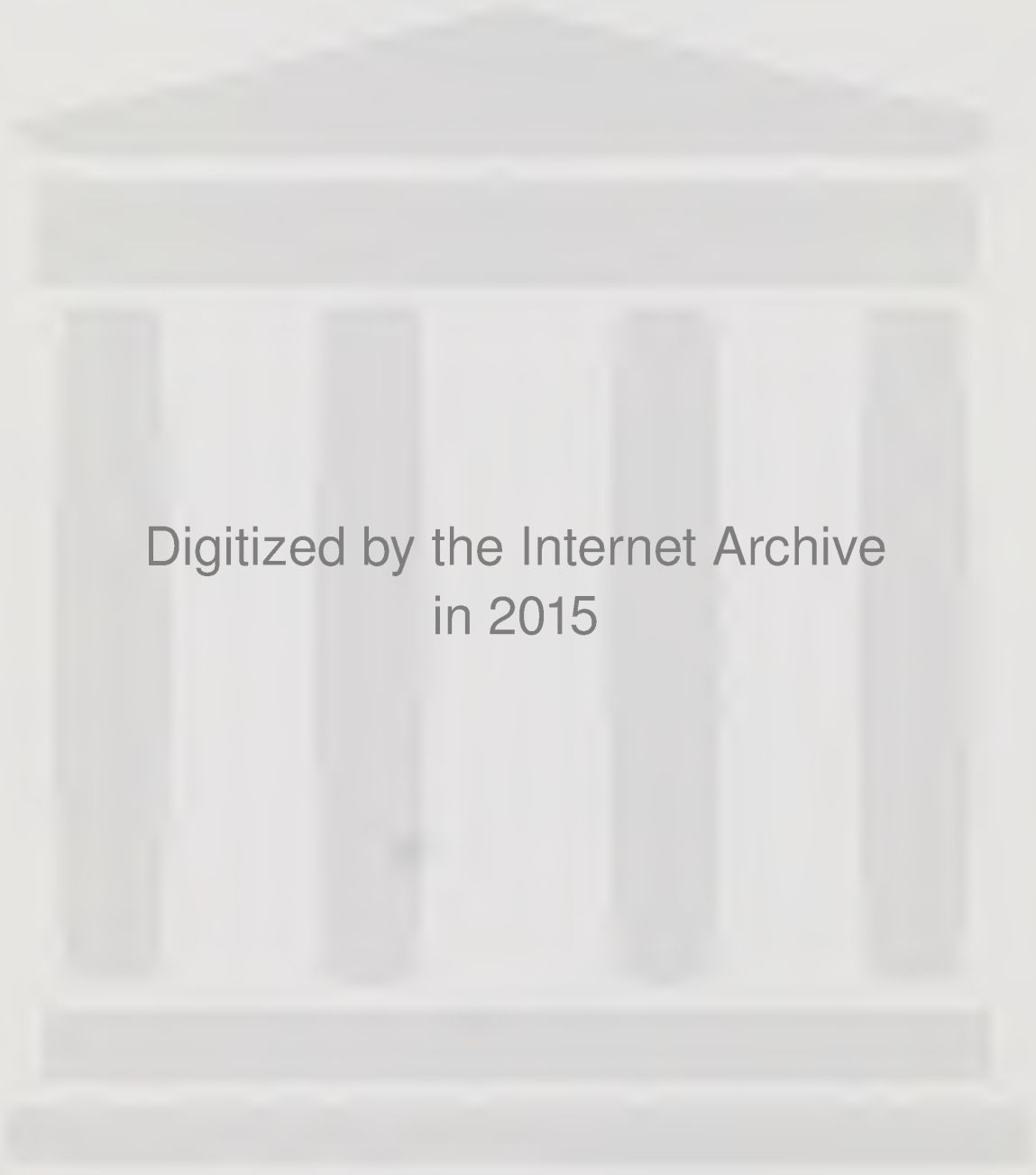
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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES RETIREMENT SYSTEMS TRUST

Annual Report for the
Year Ended June 30, 1993

Deloitte Touche
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INDEPENDENT AUDITORS' REPORT

To the Unitholders and the Trustee
Massachusetts State Teachers and Employees
Retirement Systems Trust:

We have audited the accompanying statements of assets and liabilities, including the schedules of portfolio investments, of Massachusetts State Teachers and Employees Retirement Systems Trust (comprised of the Capital Fund and the Cash Fund) as of June 30, 1993, the related statements of operations and changes in net assets for the year then ended, and the per unit and other data for the year ended June 30, 1993 and the years ended June 30, 1991, 1990 and 1989. These financial statements and per unit and other data are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and per unit and other data based on our audits. The financial statements and per unit and other data of the Trust for the year ended June 30, 1992, were audited by other auditors whose report, dated September 25, 1992, included an explanatory paragraph that discussed the Trust's procedures for accounting for and reporting the value of securities which are not readily ascertainable.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and per unit and other data are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 1993 by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and per unit and other data present fairly, in all material respects, the financial position of each of the respective Funds constituting the Massachusetts State Teachers and Employees Retirement Systems Trust as of June 30, 1993, the results of their operations, the changes in their net assets, and the per unit and other data for the respective stated periods in conformity with generally accepted accounting principles.

As explained in Note 6, the financial statements include securities consisting of a number of interests in venture capital and real estate funds, limited partnerships, futures pools, international hedge pools, commodities pools and balanced pools held by the Capital Fund valued at $487,529,832 (6.7% of the net assets of the Capital Fund), whose values have been estimated by management in the absence of readily ascertainable market values. We have reviewed the procedures used by management in arriving at their estimate of value of such securities and have inspected underlying documentation, and, in the circumstances, we believe that the procedures are reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Deloitte & Touche

September 24, 1993

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
FOREIGN STOCKS		
ARGENTINE PESO:		
BCO Frances Rio Pl	30,166	$ 332,159
Bagley SA	44,895	193,243
Telefonica Argent	144,300	476,669
		1,002,071
AUSTRIAN SCHILLING:		
Creditanstalt Bank	30,300	1,507,845
EA Generali AG	700	185,279
Lenzing AG	400	20,941
Maculan Hldg AG	14,900	1,195,577
OMV AG	3,800	225,591
Reininghaus Brauer	500	56,151
Veitscher Magnesit	2,800	59,616
Wienerberger Baust	200	52,519
		3,303,519
AUSTRALIAN DOLLAR:		
Amcor Limited	145,000	771,523
Ampolex Ltd	457,000	1,317,766
Aust & NZ Bank GRP	250,000	615,993
Aust Natl Inds	60,500	60,031
Brambles Inds Ltd	13,400	112,080
Brash Hldgs	81,031	153,791
Burns Philp & Co	78,000	205,695
CRA Limited	41,300	360,293
Email Limited	84,200	216,999
Fosters Brewing GP	233,600	180,453
ICI Australia	5,464	25,616
Lend Lease Corp	26,300	257,459
MIM Holdings Ltd	95,000	118,304
Natl Australia Bk	109,400	724,894
Pacific Dunlop Ltd	163,400	528,838
Pioneer Intl Ltd	350,000	540,742
SA Brewing Hldgs	641,400	1,537,679
Western Mining CP	470,100	1,815,735
Westpac Bank Corp	545,000	1,346,495
		10,890,386

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
BELGIAN FRANC:		
AG Fin	1,694	122,146
CBR Cimenteries	100	27,986
Delhaize Le Lion	1,400	51,893
Electrabel	6,000	1,058,872
Gevaert Photo Prod	1,543	308,878
KredietBank	4,963	976,488
Petrofina SA	1,400	360,211
Tractebel Inv Intl	1,700	452,933
		3,359,407
BRAZILIAN CRUZEIRO:		
BCO Bradesco SA	6,833,732	138,335
Banco Bradesco	226,623	1,891
Brahma (Cia Cervej)	2,050,320	332,036
Coteminas (Cia Tec)	1,335,000	152,319
Itausa Inv Itau SA	146,278	118,444
Lojas Americanas	457,500	454,646
Lojas Americanas	50,400	50,086
Telebras PN	15,799,620	508,277
Usiminas	383,200,606	191,248
		1,947,282
CANADIAN DOLLAR:		
BCE Mobile Communications Inc	66,000	1,917,173
Euro Nevada Mng Ltd	22,000	538,267
MacLean Hunter Ltd	79,100	724,779
Seagram Ltd	12,100	317,277
St. Lawrence Cem Co	947	5,354
		3,502,850
DEUTSCHE MARK:		
AMB AACH & Mun Bet	1,000	639,526
AMB AACH & Mun Bet	700	450,954
Asko Deut Kaufhaus	900	333,727
BHF Bank	4,333	1,113,512
Beiersdorf AG	1,500	638,940
Bilfinger & Berger	900	459,667
Colonia Konxern AG	400	156,772
Colonia Konzxern AG	400	269,892
DT Pfand & Hyp (Depfa)	1,500	615,618
Douglas Hldg AG	1,850	512,325

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DEUTSCHE MARK (Continued):		
Grohe (Friedrich) AG	1,700	284,267
Heidelberg Zement	1,300	823,757
Hochtief AG	1,500	935,528
Karstadt AG	2,400	737,157
Kaufhalle AG	1,800	251,352
Kaufhof Holding AG	2,200	619,578
Kaufhof Holding AG	2,700	554,452
Klockner Humb Deut	44,900	2,708,142
Kolnische Ruckvers	985	465,226
Linde AG	600	264,553
Linotype Hell AG	1,100	302,690
PWA Papier Waldhof	3,400	303,218
Porsche AG	1,400	414,812
RWE AG	8,000	1,511,395
RWE AG	19,900	4,547,708
Salamander AG	900	146,798
Schering AG	2,400	1,120,169
		21,181,737
DANISH KRONE:		
Baltica Hldgs AS	500	5,338
D/S 1912	14	242,351
D/S Svendborg	10	247,079
Danisco A/S	1,400	163,347
FLS Industries	800	62,227
ISS International	4,000	114,693
Lauritzen (J) Hldgs	171	35,730
Radio Meter AS	3,804	240,774
		1,111,539

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
SPANISH PESETA:		
Acerinox SA	500	32,796
Argentaria	42,900	1,515,697
BCO Bilbao Vizcaya	86,900	2,072,424
BCO Central Hispan	15,100	413,460
BCO Esp de Credito	11,900	204,735
BCO Popular Esp	2,800	300,221
Corporacion Mapfre	59,000	2,265,788
Empresa Nac Elec	10,400	359,454
Grup Duro Felguera	73,050	342,814
Hidroel Cantabrico	190,900	3,240,377
Iberdrola SA	343,715	2,111,960
Repsol SA	26,500	655,389
Sevillana de Elec	650,000	2,421,321
Tabacalera SA	1,800	51,706
Telefonica de Esp	136,500	1,457,286
Uralita	8,500	53,534
		17,498,962
FINNISH MARKKA:		
Amer Group	76,370	1,519,537
Kymmene Corp	29,800	353,679
Metra AB	6,600	142,840
Nokia (AB) OY	11,600	356,332
Repola	17,200	220,648
Stockmann AB (OY)	41,500	1,115,456
		3,708,492
FRENCH FRANC:		
AXA	4,680	1,120,386
BSN	4,900	778,055
Bongrain SA	200	86,358
Bouygues	700	80,438
Bqe Nat Paris	29,475	2,750,666
Bqe Nat Paris Int	7,700	597,252
CPR Cie Par Reesco	200	13,058
CSF (Thomson)	10,000	302,948
Canal Plus	1,550	329,508
Carnaudmetalbox	7,700	272,819
Carrefour	1,630	820,739
Cie Fin Paribas	18,700	1,396,748
Cie de St. Gobain	5,800	512,992
Credit Locl de Fr	9,300	671,161
Elf Sanofi	4,700	765,118

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
FRENCH FRANC (Continued):		
GTM Entrepose	100	7,311
Gan	31,200	2,574,851
Imetal	8,100	633,073
L'Oreal	1,100	209,713
LVMH Moet Hennessy	1,400	943,806
Lyonnaise des Eaux	5,000	400,275
Michelin (CGDE)	7,800	211,583
Moulinex	4,900	80,194
Peugeot SA	11,400	1,147,234
Radiotechnique (LA)	900	43,954
Sagem (Applic Gem)	400	117,001
Soc Natl Elf Aquit	25,100	1,760,720
Sovac	200	45,895
UFB Locabail	17,100	1,045,015
Valeo	3,323	477,892
		20,196,763
HONG KONG DOLLAR:		
Amoy Properties	1,000,000	968,547
Bank of East Asia	940,000	4,461,129
Cafe de Coral Hldg	1,248,000	793,744
Cathay Pacific Air	295,000	380,962
Cheung Kong Hldgs	828,000	2,844,275
China Light & Power	422,000	2,179,877
Citic Pacific Ltd	541,000	1,180,711
Dickson Concpt Int	498,000	392,300
Fairwood Holdings	100,000	41,002
Great Eagle Hldgs	853,000	432,363
HSBC Hldgs	237,870	2,257,806
Hang Lung Devel Co	1,000,000	1,510,934
Hang Seng Bank	105,300	795,507
Henderson Land Dev	616,000	1,718,281
Hong Kong & China Gas	72,000	133,892
Hong Kong Electric	1,120,000	2,574,528
Hong Kong Land Hldgs	224,000	459,944
Hong Kong Telecomm	1,574,000	2,154,618
Hopewell Hldgs	776,000	470,998
Hutchison Whampoa	1,564,000	4,201,068
Jardine Matheson	192,694	1,468,182
Jardine Strategic	167,000	537,001
Li & Fung	50,000	25,505

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
HONG KONG DOLLAR (Continued):		
Mandarin Oriental	342,000	337,868
National Mutual Asia Ltd	127,100	22,323
New World Devel Co	986,000	2,495,701
Pokphand (CP) Co	580,000	177,890
Shun Tak Hldgs Ltd	306,000	296,375
Sime Darby HK	158,000	208,121
Sun Hung Kai Props	694,000	3,450,482
Swilynn Intl Hldgs	400,000	0
Swire Pacific	694,000	3,562,511
Tai Cheung Hldgs	28,800	42,027
Wharf (Hldgs)	870,000	2,258,265
		44,834,737
INDONESIAN RUPIAH:		
Bk Intl Indonesia	165,000	300,144
Hadtex Indosyntec	176,000	231,690
Intl Indorayon Uta	249,000	563,200
Japfa Comfeed Indo	357,000	435,783
Kabelindo Murni	48,000	301,005
Suba Indah	86,500	246,374
		2,078,196
ITALIAN LIRA:		
Alitalia Linee	82,500	44,164
Alitalia Linee	170,300	62,834
BCA Comm Italiana	105,200	336,053
BCO Ambros Veneto	675,000	972,162
BCO Ambros Vento	64,000	174,823
Cementir Spa	123,300	109,342
Cogefar Impresit	15,600	26,052
Credito Italiano	164,100	265,554
Dalmine Spa	1,140,600	273,174
Edison	68,400	231,117
Eridania Beghin Say	4,407	560,545
Falck Acc Fer Lom	270,000	585,482
Fidis	94,800	203,728
Gilardini Ind	43,100	80,292

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
ITALIAN LIRA (Continued):		
Italcable	89,000	420,550
Italgas (Soc Ital)	195,800	505,824
Lloyd Adriatico	83,000	526,513
Mediobanca Intl	1,048,000	746,206
Mediobanca Spa	45,800	458,035
Merloni Elettrodom	187,000	366,161
Parmalat Finanz	38,500	446,211
Pirelli Spa	118,800	108,812
Ras	114,600	1,961,331
Ras	55,300	562,886
Rinascente (LA)	21,100	118,811
Sai (Soc Assic)	455,000	2,790,587
Sai (Soc Assic)	34,000	450,067
Saipem	1,300,000	3,214,487
Sasib	11,000	45,926
Simini Spa	175,800	179,000
Simini Spa	175,800	213,935
Simini Spa	175,800	26,742
Sip	1,100,750	1,828,312
Sip	2,520,800	3,265,054
Sirti Spa	49,500	288,211
Snia BPD	470,900	327,674
Stet	250,000	580,951
Stet	3,023,000	5,332,239
Toro Assicurazioni	42,400	364,750
		29,054,597
JAPANESE YEN:		
Ajinomoto Co Inc	100,000	1,256,066
Amada Co	11,000	113,421
Aoki Corp	172,000	841,602
Aoyama Trading Co	25,000	1,546,648
Asahi Bank	305,000	3,516,516
Asahi Breweries	41,000	480,398
Asahi Chemical Ind	459,000	2,938,604
Asahi Diamond Indl	77,000	1,061,001
Asahi Glass Co	77,000	772,293
Asatsu Inc	18,300	799,364
Autobacs Seven Co	20,500	2,113,753
Bank of Tokyo	184,000	2,621,616
Bank of Yokohama	219,000	2,340,220
Banyu Pharm	5,000	45,040
Bridgestone Corp	161,000	1,826,076

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
JAPANESE YEN (Continued):		
Canon Inc	48,000	589,414
Chiba Bank	43,000	431,281
Chiyoda Corp	15,000	220,749
Chugai Pharm Co	18,000	241,277
Citizen Watch Co	21,000	188,972
Cosmo Oil Company	21,000	160,430
Dai Ichi Kangyo Bk	174,000	3,571,914
Dai Nippon Printing	54,000	830,128
Daido Steel Co	8,000	40,494
Daiichi Pharm Co	16,000	239,965
Dainippon Ink & Chem	60,000	281,209
Dainippon Screen	26,000	179,130
Daishowa Paper Mfg	17,000	254,963
Daiwa Securities	252,000	2,952,693
Ddaiwa House Inds	35,000	482,273
Dowa Mining Co	205,000	1,152,956
Ebara Corp	61,000	743,329
Fanuc	14,000	488,179
Fuji Bank	163,000	3,575,289
Fuji Photo Film Co	93,000	2,179,368
Fujita Corp	204,000	1,149,244
Glory	30,000	821,130
Gunma Bank	29,000	320,766
Hankyu Corp	55,000	338,716
Haseko Corp	250,000	1,741,151
Hitachi Maxell	75,000	1,258,409
Hitachi Zosen Corp	250,000	1,312,308
Hokuriku Bank	60,000	458,370
Honda Motor Co	454,000	5,234,421
Hosiden Corp	75,000	1,377,923
House Food Indl Co	16,000	340,450
Ind Bank Japan	129,000	3,567,134
Ito Yokado Co	37,000	1,505,217
Itochu Corp	120,000	624,284
JGC Corp	6,000	113,608
Jaccs Co	200,000	1,846,605
Japan Assoc Fin Co	14,000	1,165,329
Japan Steel Works	142,000	597,644
Joyo Bank	43,505	381,340
Jusco Co	26,000	487,429

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
JAPANESE YEN (Continued):		
Kajima Corp	67,000	505,567
Kandenko Co	85,000	2,055,636
Kansai Elec Power	134,000	3,667,713
Kawasaki Heavy Ind	500,000	1,945,028
Kawasaki Steel CP	703,000	2,339,329
Keihin Elec Exp Rl	46,000	313,042
Kikkoman Corp	99,000	955,829
Kinden Corporation	49,000	955,360
Kinki Nippon Rlwy	80,000	602,912
Kirin Brewery Co	248,000	2,975,564
Kobe Steel	155,000	476,555
Konica Corporation	6,000	37,963
Kubota Corp	108,000	639,806
Kumagai Gumi Co	166,000	770,231
Kyocera Corp	75,000	3,761,168
Kyowa Hakko Kogyo	31,000	319,641
Kyushu Elec Power	30,000	829,566
Makita Corp	16,000	236,965
Marubeni Corp	598,000	2,696,211
Marui Co	150,000	2,109,066
Matsushita Comm	85,000	1,673,192
Matsushita Elc Ind	155,000	1,830,669
Meiji Seika Kaisha	100,000	639,281
Mitsubishi Elec CP	265,000	1,366,206
Mitsubishi Estate	80,000	764,888
Mitsubishi Hvy Ind	257,000	1,568,273
Mitsubishi Kasei	153,000	727,122
Mitsubishi Paper	306,000	1,898,834
Mitsubishi Petroch	22,000	145,591
Mitsubishi Steel	2,000	13,123
Mitsubishi Tr & Bkg	385,000	4,583,235
Mitsubishi Warehse	5,000	72,646
Mitsui Eng & Shipbg	27,000	103,513
Mitsui Fudosan Co	253,000	2,916,979
Mitsui Marine & Fire	39,000	321,703

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
JAPANESE YEN (Continued):		
Mitsui Osk Lines	71,000	294,163
Mitsui Petrochem	125,000	822,536
Mitsui Soko Co	200,000	1,518,528
Mitsui Toatsu Chem	140,000	539,359
Mitsui Trust & Bkg.	210,000	1,933,029
Mitubishi Oil Co	57,000	533,762
Mochida Pharm Co	25,000	653,810
NEC Corp	158,000	1,364,031
NKK Corp	408,000	1,181,752
Nagoya Railroad Co	44,000	260,249
Nichiei Const	100,000	1,368,550
Nihon Cement Co	100,000	790,197
Nikko Kyodo Co	66,000	330,364
Nippon Express Co	359,000	3,331,481
Nippon Fire & Marine	55,000	395,426
Nippon Light Metal	38,000	253,257
Nippon Meat Packer	34,000	503,551
Nippon Oil Co	279,000	2,003,275
Nippon Paper	13,000	77,745
Nippon Sanso Corp	265,000	1,388,562
Nippon Sharyo	55,000	665,059
Nippon Shinpan Co	41,000	358,954
Nippon Steel Corp	968,000	3,320,964
Nippon Tel & Tel CP	380,000	3,070,425
Nippon Yusen KK	137,000	748,681
Nippondenso Co	76,000	1,089,965
Nissin Food Prods	20,000	519,299
Nomura Securities	276,000	5,044,886
Obayashi Corp	117,000	705,187
Odakyu Elec Rlwy	40,000	310,455
Oji Paper Co	46,000	439,811
Okumura Corp	68,000	497,815
Olympus Optical Co	8,000	88,487
Omron Corp	148,000	1,845,105
Osaka Gas Co	129,000	622,737
Penta Ocean Const	15,000	94,205
Pioneer Electronic	10,000	209,969
Rengo Co	139,000	944,627
Ricoh Co	355,000	2,499,056
Ryosan Co	80,000	1,949,714
Sagami Railway Co	14,000	76,770
Sakura Bank	184,000	2,811,338
Sankyo Company	60,000	1,355,426
Sanwa Bank	90,000	1,881,287
Sapporo Breweries	75,000	717,082

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
JAPANESE YEN (Continued):		
Secom Co	8,000	473,931
Sekisui Chemical	117,000	1,008,977
Sekisui House	172,000	1,934,717
Seven Eleven Japan	54,000	3,548,293
Sharp Corp	69,000	802,008
Shikoku Elec Power	45,000	1,240,131
Shimizu Corp	59,000	456,814
Shin Etsu Chem Co	24,000	380,194
Shiseido Co	31,000	412,627
Shizuoka Bank	45,000	590,539
Showa Denko KK	79,000	260,662
Sony Corp	67,200	2,702,304
Sumitomo Bank	266,000	5,635,050
Sumitomo Cement Co	59,000	329,061
Sumitomo Chemical	130,000	566,636
Sumitomo Elec Inds	254,000	2,618,991
Sumitomo Forestry	75,000	1,321,681
Sumitomo Heavy Ind	44,000	187,660
Sumitomo Marine & Fire	62,000	551,525
Sumitomo Metal Ind	168,000	518,099
Sumitomo Metal Mng	38,000	363,322
Sumitomo Rubber	150,000	1,195,137
Suzuki Motor Corp	250,000	2,085,632
TDK Corp	2,000	70,115
Taisei Corp	130,000	779,886
Taiyo Yuden Co	63,000	496,052
Takeda Chem Inds	220,000	2,639,613
Teijin	110,000	491,834
Tobu Railway Co	140,000	1,064,282
Tohoku Elec Power	46,000	1,336,679
Tokai Bank	293,000	4,064,780
Tokio Marine & Fire	254,000	2,976,127
Tokuyama Soda Co	315,000	1,683,035
Tokyo Elec Power	130,000	4,289,372
Tokyo Electron	85,000	2,183,118
Tokyo Gas	156,000	780,861
Tokyu Corp	61,000	494,028
Toppan Printing Co	52,000	614,160
Toray Inds Inc	248,000	1,508,704
Toshiba Corp	425,000	2,669,140
Tostem Corp	64,000	1,967,712
Toto	27,000	473,274
Toyo Seikan Kaisha	10,000	290,582
Toyoda Auto Loom	23,000	336,326
UBE Industries	20,000	77,051

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
JAPANESE YEN (Continued):		
Yamaichi Secs Co	139,000	1,068,406
Yamanouchi Pharm	25,000	522,579
Yamatake Honeywell	150,000	2,024,703
Yamato Transport	24,000	247,464
Yamazaki Baking Co	45,000	759,264
Yasuda Trust & Bkg	256,000	2,270,068
		231,310,653
MEXICAN PESO:		
Empresas ICA	10,000	186,716
Fomento Economico	69,000	262,316
Cemex SA	14,000	216,937
Cifra SA de CV	329,000	622,738
GPO Fin Banamex	136,000	737,366
GPO Fin Bancomer	209,600	339,578
Grupo Carso	91,000	497,764
Grupo Televisa	22,100	408,387
Cemex SA	32,000	508,174
Cemex SA	36,000	571,696
Grupo Sidek	297,000	557,404
Industrias Penoles	425,000	831,718
Telemex	364,000	848,972
Ceramic	74,000	436,825
Grupo Gemex	43,000	419,372
Maseca	205,000	168,365
Femsa	42,000	163,713
Maseca	600,000	494,700
Apasco SA	84,000	448,695
Tolmex SA de CV	74,000	584,015
Telefonos de Mexic	377,000	895,016
		10,200,467
MALAYSIAN RINGGIT:		
Dev & Commercial Bk	313,000	337,094
Genting Berhad	500,000	3,693,606
Hong Leong Inds	85,000	393,272
Malayan Bk Berhad	300,000	1,376,354
Malayawata Steel	439,000	648,597
Oriental Hldgs Bhd	1,600	5,692
Renong Berhaud	103,000	93,709
Resorts World Bhd	1,194,000	4,549,434
Sime Darby Berhaud	1,050,000	1,869,742

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
MALAYSIAN RINGGIT (Continued):		
Tanjong	300,000	1,504,659
Telekom Malaysia	454,000	2,718,339
United Eng (Maly)	963,000	2,564,743
		19,755,241
NETHERLANDS GUILDER:		
Abn Amro Hldgs NV	52,800	1,533,427
Aegon NV	13,000	561,220
Akzo NV	21,700	1,721,453
Bam Groep	2,300	111,930
Elsevier NV	7,100	513,827
Heineken NV	2,300	220,009
Hoogovens & Staalf	29,700	540,844
Intl Nederlanden	61,020	2,059,530
Intl Nederlanden	700,000	520,143
Kon Bijenkorf Beh	70,000	3,113,530
Natl Invest Bank	13,000	572,785
OCE V/D Grinten NV	1,100	29,471
Pirelli Tyre Hldgs	114,600	56,370
Unilever NV	9,200	976,801
Volker Stevin	35,000	1,199,625
Wereldhave NV	19,700	1,082,410
Wolters Kluwer	8,200	402,059
		15,215,434
NORWEGIEN KRONE:		
Actinor Shipping	135	1,948
Aker AS	2,600	25,253
Den Norske Bank	259,900	685,178
Hafslund Nycomed	1,625	28,635
Hafslund Nycomed	2,594	46,071
Kvaerner AS	1,500	42,875
Mosvold Shipping	11,700	100,652
Norsk Hydro AS	40,000	979,599
Norske Skogsindust	13,600	203,801
Orkla	2,700	77,549
Orkla	73,400	2,092,915
Orkla A/S	6,600	185,444
Smedvig	14,200	334,951
Vard AS	1,200	3,122
		4,807,993

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
NEW ZEALAND DOLLAR:		
Brierley Invmt Ltd	235,800	140,456
Carter Holt Harvey	204,300	321,227
Fletcher Challenge	351,100	525,668
Lion Nathan Ltd	6,000	10,947
Telecom Corp of NZ	256,000	427,245
		1,425,543
PHILIPPINE PESO:		
Manila Electric Co	55,000	413,565
PAKISTAN RUPEE:		
Pak Suzuki Motor	14,000	32,903
PORTUGUESE ESCUDO:		
BCO Port de Invest	21,000	573,225
Cort Amorim SGPS	125,000	1,048,676
Unicer Uniao Cervj	40,000	1,051,144
		2,673,045
POUND STERLING:		
Airtours	126,800	643,878
Allied Lyons	30,000	240,603
Anglo Irish Bk Cp	1,540,300	1,219,232
Argyll Group	18,900	92,303
Arjo Wiggins Apple	59,200	161,800
Assoc Brit Foods	79,700	576,115
BBA Group	52,200	124,737
BET	221,700	380,775
Bank of Ireland	500,000	1,866,875
Barclays	728,623	5,256,000
Bass	70,800	514,953
Bilton	165,000	1,431,744
British Gas	190,900	848,200
British Steel	2,405,500	3,377,058
British Telecom	173,300	1,109,059
Burton Group	2,382,375	3,059,947
Cable & Wireless	24,700	285,893
Carlton Communications	28,600	332,316
Dawson Intl	28,000	86,981
East Midlands Elec	214,000	1,447,829
FKI	171,300	364,567
Fitzwilton	800,000	489,868

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
POUND STERLING (Continued):		
Great Portland Est	16,200	42,462
HSBC Hldgs	25,600	246,224
HSBC Hldgs	71,749	714,738
Hambros	227,000	1,134,037
Hammerson Prop Inv	275,000	1,191,066
Hammerson Prop Inv	128,333	70,916
Hartstone Group	3,095,500	1,664,327
Hazlewood Foods	450,000	1,270,222
IMI	81,500	336,557
India Fund	148,600	550,397
Irish Life	460,000	1,477,072
Ladbroke Group	609,175	1,683,136
Land Securities	18,500	164,950
Lasmo	237,300	567,052
Legal & General Group	61,900	445,598
Lloyds Bank	85,700	742,359
Lloyds Chemists	191,500	823,695
MB Caradon	56,700	239,649
MEPC	2,660	2,066
MEPC	13,300	79,851
Marks & Spencer	298,293	1,543,660
McAlpine (Alfred)	1,200,000	3,620,245
Midlands Elec	85,000	611,887
National Power	14,200	78,044
Natl Westminster	673,700	4,940,300
Northern Electric	187,000	1,448,090
Rothmans Intl	20,000	208,343
Royal Bk Scot Group	106,000	448,020
Rugby Group	17,100	68,955
Sainsbury (J)	14,500	105,680
Sedgewick Group	58,800	175,636
Slough Estates	1,125,020	3,604,067
Smithkline Beecham	165,500	1,090,039
Smiths Industries	19,000	102,723
Southern Water	25,800	186,882
Tarmac	50,000	104,172
UTD Newspapers	117,000	960,194
Vodafone Group	203,300	1,369,365
Westbury	1,485,000	2,971,916
Westland Group	375,000	1,058,518
Whitbread	80,000	604,569
Williams Hldgs	50,500	242,858
		62,901,270

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
SWEDISH KRONOR:		
Astra AB	45,750	845,785
Astra AB	52,845	956,456
Electrolux AB	9,600	263,112
Ericsson (LM) Tel	35,700	1,573,822
Hennes & Mauritz	28,000	673,293
Skand Enskilda Bkn	79,400	374,668
Skand Enskilda Bkn	3,000	12,993
Skand Enskilda Bkn	50,600	238,768
Skandia Foersaekeings AB	25,000	378,145
Skanska, AB	17,200	242,375
Volvo AB	7,700	416,102
		5,975,519
SWISS FRANC:		
AFG (Arbonia Forste)	390	1,018,025
Elvia Zurich	250	256,076
Fischer (Georg) AG	3,461	3,088
Fischer (Georg) AG	583	300,511
Fischer (Georg) AG	546	54,484
Grand Magasin Jelm	4,500	410,382
Lindt & Spruengli	52	666,656
Magazine Globus	5,600	2,979,070
SGS Holding	465	531,921
SMH AG Neuenburg	2,750	435,246
SMH Schweiz	1,151	1,345,194
Sika Finanz AG	5,176	18,642
Sika Finanz AG	2,588	547,282
Winterthur	600	1,278,727
Zurich Versicherun	542	877,530
Zurich Versicherun	152	236,555
Zurich Versicherun	1,261	1,020,817
		11,980,204
SINGAPORE DOLLAR:		
Amalg Steel Mills	162,000	162,548
Chuan Hup Hldgs	128,000	96,128
City Developments	480,000	1,252,812
Dev Bank Singapore	376,000	3,356,097
Genting Berhad	111,000	813,109
Genting Intl	7,100	14,129
Inchcape Berhad	118,000	410,402
Kay Hian James Cap	134,000	100,634

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
SINGAPORE DOLLAR (Continued):		
Keppel Corp	300,000	1,440,438
Kuala Lumpur Kepg	288,000	382,935
Malayan Bk Berhad	156,000	696,212
Natsteel Ltd	340,000	941,825
O/Seas Chinese Bk	280,000	2,051,085
Prima	77,000	291,504
Sembawang Shipyard	410,000	3,306,236
Sime Darby Berhad	335,000	591,841
Singapore Airlines	184,000	1,132,652
Singapore Press Hd	148,600	1,655,679
Straits Steam Land	782,000	1,275,649
Straits Trading Co	77,000	141,723
Tractors Mlysa Hld	372,000	400,737
		20,514,375
THAILAND BAHT:		
Bangkok Bank	486,000	2,828,702
Bangkok First Inv	2,800	29,268
Krungthai Bank	481,000	765,605
Phatra Thanakit Co	255,190	3,597,056
Post Publishing	60,000	584,413
Saha Pathanapibul	100,000	534,524
Siam Cement	70,000	1,613,075
Siam Commercial Bk Plc	390,000	2,300,829
Thai Farmers Bank	170,000	679,835
		12,933,307
TURKISH LIRA:		
Koc Hldg	172,000	271,368
Koc Yatirim	21,000	52,819
Netas	201,000	643,435
		967,622

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS:		
Aluminum:		
Alcan Alum Ltd	56,500	$ 1,101,750
Aluminum Co Amer	40,816	2,857,120
Reynolds Metals Co	39,131	1,878,288
		5,837,158
Chemicals:		
Adac Labs	48,800	664,900
Air Prods & Chems Inc	28,500	1,118,625
Dow Chem Co	91,200	5,164,200
Ethyl Corp	45,500	1,365,000
FMC Corp	18,300	828,075
First Mississippi Corp	33,400	321,475
Goodrich, B.F. Co	34,300	1,457,750
Grace, W.R. & Co	302,400	12,247,200
Great Lakes Chemical Corp	18,300	1,260,413
Hercules Inc	90,900	7,056,113
Morton Intl Inc Ind	94,300	7,296,463
NL Inds Inc	14,770	55,388
PPG Inds Inc	26,700	1,748,850
Potash Corp Sask, Inc	31,400	624,075
Praxair, Inc	33,000	511,500
Quantum Chem Corp	6,500	123,500
Rohm & Haas Co	16,900	906,263
Sigma Aldrich	35,000	1,688,750
Vigoro Corp	18,100	377,838
		44,816,378
Containers and Glass:		
Ball Corp	42,800	1,209,100
Bemis, Inc	12,700	285,750
Temple Inland, Inc	13,750	625,625
		2,120,475
Gold:		
Echo Bay Mines, Ltd	25,800	316,050
Homestake Mng Co	35,000	669,375
Newmont Mng Corp	17,000	892,500
Placer Dome Inc	62,400	1,294,800
		3,172,725

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Mining:		
Amax, Inc	21,900	509,175
Amax, Inc, Conv. Pfd. Ser. A	46,600	3,075,600
Cyprus Minerals Corp	12,200	300,425
		3,885,200
Nonferrous Metals:		
Asarco, Inc	22,500	433,125
Engelhard Corp	16,750	628,125
Inco, Ltd	46,100	1,037,250
		2,098,500
Paper:		
Alco Standard Corp	88,800	4,329,000
Alco Standards Corp., Pfd. Ser. AA	15,700	965,550
Boise Cascade Corp	9,366	220,101
Champion Intl Corp	44,000	1,485,000
Consolidated Papers, Inc	10,000	535,000
Federal Paper Brd, Inc	10,400	236,600
James Riv Corp VA	54,444	1,075,269
Mead Corp	14,600	653,350
Pentair, Inc	35,850	1,371,263
Pope & Talbot, Inc	32,300	791,350
Potlatch Corp	7,100	296,425
Scott Paper, Co	97,300	3,223,063
Stone Container Corp	40,165	361,485
Wausau Paper Mills Co	42,600	1,485,675
Westvaco Corp	16,625	565,250
		17,594,381
Plastics:		
Illinois Tool Wks Inc	27,800	1,039,025
Steel:		
Armco, Inc	26,500	192,125
Bethlehem Stl Corp	67,400	1,263,750
Bethlehem Stl Corp, Conv. Pfd. 5.00	5,300	298,788
Bethlehem Stl Corp, Conv. Pfd.	10,000	571,250
British Stl Plc, ADR	11,000	152,625
Inland Stl Inds, Inc	30,000	862,500
Inland Stl Inds, Inc, Conv. Pfd. Exchangeable Ser. G	3,200	203,200
Lukens, Inc	7,800	367,575

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Steel (Continued):		
Nucor Corp	10,700	913,513
USX U.S. Stl	55,680	2,268,960
Worthington Inds Inc	14,900	465,625
		7,559,911
Building Construction:		
Fluor Corp	20,400	856,800
Morrison Knudsen Corp	7,800	197,925
		1,054,725
Construction & Mining Equipment:		
Dover Corp	14,500	679,688
Foster Wheeler Corp	8,800	259,600
		939,288
Electrical Equipment:		
Boston Scientific Corp	50,000	700,000
Cooper Inds Inc	26,900	1,358,450
Cooper Inds Inc, Conv. Pfd. Exch.	6,900	219,938
Emerson Elec Co	59,400	3,460,050
General Elec Co	639,291	61,212,113
General Signal Corp	34,500	2,259,750
Grainger W.W. Inc	13,100	812,200
Johnson Ctls Inc	35,900	1,745,638
Millipore Corp	16,900	545,025
National Svc Inds Inc	69,700	1,777,350
Pioneer Std Electrs Inc	14,200	252,050
Premier Indl Corp	75,000	2,156,250
Raychem Corp	77,500	3,061,250
Reliance Electric Co	25,900	485,625
Westinghouse Elec Corp	134,000	2,127,250
		82,172,939
Industrial Machinery:		
Applied Materials, Inc	51,000	2,754,000
Briggs & Stratton Corp	3,500	231,438
Cincinnati Milacron, Inc	81,100	1,976,813
Clark Equip Co	4,100	141,963
Crane Co	57,850	1,677,650
Cummins Engine, Inc	4,600	391,000

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Industrial Machinery (Continued):		
Giddings & Lewis Inc.	7,930	169,504
Goulds Pumps Inc.	14,700	361,988
Interlake Corp	5,800	25,375
Quilmes Indl, NPV	1,120	302,680
Kennametal, Inc	26,100	874,350
Magna Intl, Inc	24,300	959,850
Moorco Intl, Inc	17,000	289,000
Nacco Inds, Inc	2,000	100,750
Pall Corp	122,430	2,173,133
PEC Israel Economic Corp	21,200	559,150
SPX Corp	3,300	51,975
Stewart & Stevenson Svcs, Inc	72,000	3,240,000
Tecumseh Prods Co Class B	5,400	399,600
Trinova Corp	7,400	232,175
Tyco Labs, Inc	11,700	484,088
Varity Corp	78,000	2,340,000
		19,736,482
Pollution Control:		
Air & Water Tech Corp	225,600	3,158,400
Browning Ferris Inds, Inc	42,500	1,152,813
Rollins Environmental Svcs, Inc	135,000	995,625
WMX Technologies, Inc	391,220	12,665,748
Waste Mgmt Intl Plc, ADR	130,000	2,583,750
Western Waste Inds	95,000	1,033,125
Zurn Inds, Inc	3,000	96,000
		21,685,461
Drugs and Health Care:		
Alza Corp	164,200	4,515,500
American Home Products Corp	106,200	6,849,900
Amgen, Inc	121,000	4,416,500
Applied Bioscience Intl Inc	41,500	228,250
Arrow International, Inc	8,400	205,800
Ballard Medical Products	66,666	1,166,655
Bard, C.R. Inc	13,200	366,300
Bausch & Lomb, Inc	14,800	730,750
Baxter Intl, Inc	266,100	7,617,113
Becton Dickinson & Co	18,800	752,000
Beverly Enterprises, Inc	344,000	4,257,000
Biomet, Inc	89,200	936,600

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Drugs and Health Care (Continued):		
Chiron Corp	20,000	1,285,000
Columbia Hosp Corp	53,200	1,423,100
Columbia Labs, Inc	28,400	134,900
Community Psychiatric Centers	10,950	125,925
Diagnostic Prods Corp	30,000	633,750
Elan Plc, ADR	60,000	2,040,000
FHP International Corp	32,500	885,625
Forest Labs, Inc	55,000	1,918,125
Galen Health Care, Inc	39,950	749,063
Genentech, Inc	151,000	6,644,000
Gensia, Inc	150,000	3,487,500
Genzyme Corp	40,000	1,560,000
HCA Hosp Corp Amer	257,100	5,013,450
Healthsouth Rehabilitation	68,775	1,160,578
Health Mgmt Assoc	81,750	2,534,250
Healthsource, Inc	10,200	443,700
Healthtrust, Inc The Hospital	158,400	3,069,000
Humana, Inc	39,950	449,438
Imcera Group, Inc	67,800	2,034,000
Immucor Corp	70,000	420,000
Ivax Corp	55,400	1,398,850
Manor Care, Inc	14,300	282,425
McKesson Corp	10,100	444,400
Medco Containment Svcs, Inc	290,000	9,280,000
Medical Care Amer Inc	76,600	1,397,950
Medtronic, Inc	88,300	5,960,250
Merck & Co, Inc	409,900	14,551,450
National Intergroup, Inc	4,800	62,400
National Med Enterprises, Inc	41,200	432,600
Nationwide Health PPTYS, Inc	29,000	1,141,875
Nichols Institute	60,000	420,000
Pacificare Health Sys Inc	28,800	1,166,400
Pharmaceutical Marketing Svcs	20,200	363,600
Preferred Health Care Ltd	50,000	937,500
Quantum Health Res Inc	60,000	1,155,000
Rhone Poulenc Rorer, Inc	2,500	117,500
St. Jude Med Inc	11,800	442,500
Scherer, R.P. Corp Del	50,000	1,412,500
Spacelabs, Inc	31,000	627,750
Stryker Corp	20,000	517,500
Surgical Care Affiliates, Inc	424,400	7,586,150
Syntex Corp	57,000	1,040,250
Teva Pharmaceutical Inds Ltd, ADR	22,400	462,000

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Drugs and Health Care (Continued):		
Therapeutic Discovery Corp Unit 1 Class A+1 Alza Corp. WT	5,420	28,455
United Healthcare Corp	49,700	3,193,225
United States Surgical Corp	14,000	385,000
Vallen Corp	70,000	1,050,000
Vencor Inc	62,500	1,726,563
VISX Inc Del	52,000	533,000
Vivra, Inc	60,000	1,860,000
		128,030,865
Food and Beverages:		
Archer Daniels Midland Co	88,889	2,100,003
CPC Intl Inc	55,600	2,286,550
Campbell Soup Co	116,700	4,580,475
Chiquita Brands Intl Inc	58,700	616,350
Coca-Cola Co	643,200	27,657,600
Conagra, Inc	120,825	3,050,831
Dole Food, Inc	20,000	715,000
Flowers Inds, Inc	12,900	212,850
General Mls, Inc	56,200	3,821,600
Gerber Prods Co	18,600	518,475
Heinz, H.J. Co	63,900	2,356,313
Hershey Foods Corp	22,600	1,065,025
IBP Inc	78,600	1,670,250
PepsiCo Inc	531,654	19,671,198
Pet, Inc	106,600	1,692,275
Pioneer Hi Bred Intl Inc	123,700	3,417,213
Quaker Oats Co	153,800	11,650,350
Ralston Purina Co	93,600	4,329,000
Sara Lee Corp	474,900	11,753,775
Snapple Beverage Corp	19,800	757,350
Sysco Corp	285,300	7,168,163
Unilever N V	70,900	7,497,675
Universal Foods Corp	8,700	300,150
Whitman Corp	198,500	2,704,563
Wrigley, Wm Jr. Co	29,400	977,550
Wrigley, Wm Jr. Co Class B	3,600	119,700
		122,690,284
Household Appliances & Furnishings:		
Purolator Prods Co	7,800	138,450

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Household Products:		
Black & Decker Corporation	21,400	462,775
Clorox Co	13,600	708,900
Corning, Inc	203,600	6,769,700
Procter & Gamble Co	530,630	27,592,760
Rubbermaid, Inc	40,400	1,146,350
Snap on Tools Corp	64,400	2,511,600
Stanley Works	11,800	473,475
		39,665,560
Retail Grocery:		
Albertsons, Inc	257,100	13,883,400
American Stores Co New	33,900	1,572,113
Brunos, Inc	20,100	188,438
Fleming Cos Inc	16,200	536,625
Giant Foods, Inc	14,900	368,775
Great Atlantic & Pac Tea Inc	44,800	1,422,400
Kroger Co	22,100	381,225
Penn Traffic Co New	6,200	265,050
Quality Food Ctrs Inc	61,000	1,891,000
Safeway, Inc	54,500	831,125
Stop & Shop Cos. Inc New	122,900	2,458,000
Vons Cos Inc	8,900	205,813
Winn Dixie Stores, Inc	19,200	1,075,200
		25,079,164
Tobacco:		
American Brands, Inc	79,000	2,626,750
Philip Morris Cos Inc	515,841	25,018,289
RJR Nabisco Hldgs Corp	639,956	3,599,753
UST, Inc	78,200	2,316,675
Universal Corp	142,500	3,509,063
		37,070,530
Auto Parts:		
Dana Corp	28,400	1,540,700
Eaton Corp	75,000	3,365,625
Federal Mogul Corp	25,000	537,500
Genuine Parts Co	42,900	1,485,413
Superior Inds Intl Inc	1,800	101,025
		7,030,263

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Automobiles:		
Chrysler Corp	183,050	8,649,113
Chrysler Corp Pfd. 4.625, 144A	29,600	4,121,800
Ford Mtr Co	175,900	9,190,775
Ford Mtr Co Conv. Pfd. Ser. A	67,200	6,064,800
General Motors Corp	555,200	24,706,400
Hayes Wheels Intl Inc	61,400	1,412,200
Navistar Intl Corp	65,600	164,000
Navistar Intl Corp Conv. Pfd. Ser. G	13,100	656,638
Paccar Inc	8,300	506,300
Smith A O Corp	2,500	120,000
		55,592,026
Household Appliances & Furnishings:		
Bassett Furniture Inds Inc	3,375	110,531
Fedders USA Inc	2,900	14,138
Industrie Natuzzi, SpA ADR	15,000	258,750
Lechters, Inc	90,000	1,361,250
Leggett & Platt, Inc	9,900	366,300
Maytag Corp	76,772	1,151,580
Newell Co	111,100	3,694,075
Whirlpool Corp	39,900	2,269,313
Zenith Electrs Corp	7,000	51,625
		9,277,562
Mobile Homes:		
Fleetwood Enterprises Inc	116,100	2,307,488
Skyline Corp	2,600	43,875
		2,351,363
Tires and Rubber:		
Cooper Tire & Rubber Co.	20,900	527,725
Goodyear Tire and Rubber Co.	187,200	7,956,000
		8,483,725

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Apparel & Textiles:		
Brown Group Inc	4,000	125,000
CML Group Inc	35,800	1,476,750
Cintas Corp	70,000	1,872,500
Guilford MLS Inc	9,700	213,400
Hartmarx Corp	8,300	51,875
Jones Apparel Group Inc	53,200	1,177,050
Liz Claiborne	80,300	2,489,300
Nike Inc, Class B	78,900	4,349,363
Oshkosh B' Gosh Inc	3,400	51,000
Reebok Intl Ltd	198,350	5,529,006
Russell Corp	10,100	300,475
Springs Inds. Inc	4,200	146,475
Stride Rite Corp	12,700	198,438
Unifi Inc	109,400	3,678,575
V F Corp	181,100	8,353,238
		30,012,445
Cosmetics & Toiletries:		
Alberto Culver Co, Class B Conv.	7,000	181,125
Avon Prods Inc	202,900	11,692,113
Helene Curtis Inds. Inc	9,000	265,500
		12,138,738
Liquor:		
Anheuser-Busch Cos. Inc	154,000	7,469,000
Brown Forman Corp, Class B	6,750	588,094
Coors, Adolph Co, Class B	9,300	173,213
Seagram Ltd	239,500	6,256,938
		14,487,245
Potography:		
Eastman Kodak Co	398,500	19,925,000
Polaroid Corp	420,750	851,063
		20,776,063
Retail Trade:		
Bed Bath & Beyond Inc	30,000	1,260,000
Bombay Inc	27,000	1,329,750
Bradlees Inc	22,700	363,200

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Retail Trade (Continued):		
Caldor Corp	34,700	867,500
Carter Hawley Hale Stores Inc	672	3,024
Carter Hawley Hale Stores Inc.	22,748	327,003
Cash Amer Intl Inc	180,000	1,417,500
Charming Shoppes Inc	79,100	1,087,625
Circuit City Stores Inc	187,600	6,050,100
Dayton Hudson Corp	106,751	7,098,942
Dillard Dept. Stores Inc	103,100	3,737,375
Dress Barn, The	90,000	1,125,000
Duty Free Intl Inc	72,000	1,863,000
Edison Bros Stores Inc	17,000	609,875
Federated Dept Stores Inc	335,909	8,019,827
Gap Inc	36,300	1,098,075
Genesco Inc	62,900	487,475
Handleman Co Del	7,900	103,688
Harcourt General	20,054	754,532
Haverty Furniture Cos Inc	16,700	325,650
Heilig Meyers Co	10,000	378,750
Home Depot Inc	222,166	9,719,763
House Fabrics Inc	150,000	1,406,250
K Mart Corp	268,600	5,640,600
K Mart Corp Pfd. Ser. A	99,700	4,374,338
Lands End Inc	14,200	390,500
Limited Inc	489,900	10,471,613
Longs Drug Stores Corp	5,000	170,000
Lowes Cos Inc	30,500	1,193,313
May Dept Stores Co	428,264	16,381,098
Melville Corporation	26,300	1,226,238
Mercantile Stores Inc	9,050	306,569
Meyer, Fred Inc	153,300	5,403,825
Nordstrom Inc	115,300	3,228,400
Office Depot Inc	181,500	4,764,375
Penney J C Inc	447,700	20,202,463
Pep Boys Manny Moe & Jack	74,600	1,678,500
Price Co	11,600	394,400
Rite Aid Corp	21,600	388,800
Ross Stores Inc	80,000	1,220,000
Scholastic Corp	75,000	2,981,250
Sears Roebuck & Co	279,800	15,389,000
Sears Roebuck & Co Pfd. 3.75 Ser. A Conv.	31,800	1,681,425
Shopko Stores Inc	16,300	193,563
Supervalu Inc	263,400	8,856,825
TJX Cos Inc New	17,500	592,813

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Retail Trade (Continued):		
Toys R Us Inc	198,150	7,282,013
United States Shoe Corp	23,800	232,050
Wal Mart Stores Inc	919,800	24,144,750
Walgreen Co	205,000	8,276,875
Woolworth Corp	33,000	895,125
		197,394,625
Toys, Amusements, Sporting Goods:		
Brunswick Corp	34,200	431,775
Hasbro Inc	21,800	822,950
Mattel Inc	73,850	1,901,638
		3,156,363
Air Travel:		
AMR Corp	29,600	1,872,200
AMR Corp Pfd. Ser. A	104,600	5,334,600
Comair Hldgs Inc	42,300	1,120,950
Delta Air Lines Inc DE	161,300	7,802,888
UAL Corp	6,400	788,800
UAL Corp, Pfd. Ser. A	31,300	3,067,400
US Air Group Inc	11,800	194,700
US Air Group Inc Conv. Pfd. Ser. B	21,100	1,186,875
		21,368,413
Hotels and Restaurants:		
Applebees Intl Inc	53,200	1,050,700
Au Bon Pain Co Inc	73,000	1,825,000
Brinker Intl Inc	122,100	4,181,925
Caesars World Inc	83,000	3,724,625
Cooker Restaurant Corp	60,000	990,000
Cracker Barrel Old Ctry Store	120,000	3,450,000
Dial Corp Del	153,200	6,108,850
Hilton Hotels Corp	35,000	1,610,000
Lubys Cafeterias Inc	49,950	1,067,681
Marriott Corp	25,700	655,350
McDonalds Corp	253,900	12,472,838
Primadonna Resorts Inc	10,000	225,000
Promus Cos. Inc	125,800	6,022,675
Rio Hotel & Casino Inc	43,400	618,450
Ryans Family Steak Houses Inc	13,200	99,000
Sbarro Inc	17,700	677,025
Shoneys Inc	10,800	199,800
Showbiz Pizza Time Inc	115,000	1,983,750

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Hotels and Restaurants (Continued):		
Sonic Corp	60,000	1,380,000
Uno Restaurant Corp	100,000	750,000
Wendy's Intl Inc	64,725	946,603
		50,039,272
Leisure Time:		
Bally Mfg Corp	11,800	113,575
Blockbuster Entmt Corp	318,200	6,920,850
Callaway Golf Co	9,800	411,600
Disney (Walt) Co	263,700	10,745,775
Grand Casinos Inc	49,500	1,633,500
King World Productions Inc	107,700	3,594,488
New Line Cinema Corp	26,100	365,400
Outboard Marine Corp	4,700	79,313
Paramount Communications Inc	30,000	1,620,000
		25,484,501
Coal:		
Westmoreland Coal Co	1,500	9,375
Domestic Oil:		
Amerada Hess Corp	48,700	2,386,300
Atlantic Richfield Co	54,800	6,370,500
Kerr McGee Corp	78,800	3,940,000
Louisiana Land & Expl Co	18,100	769,250
Mobil Corp	218,500	16,332,875
Murphy Oil Corp	54,300	2,178,788
Noble Affiliates Inc	83,462	2,013,521
Pennzoil Co	17,200	1,077,150
Phillips Pete Co	124,200	3,477,600
Sun Inc	141,900	3,405,600
Tenneco Inc	284,400	14,504,400
Tenneco Inc Pfd. Ser. A	39,600	1,613,700
Tosco Corp	24,300	549,788
USX Marathon Group	215,900	3,643,313
Ultramar Corp	27,600	624,450
Unocal Corp	308,700	9,029,475
Unocal Corp Conv. Pfd. 3.50	23,000	1,382,875
		73,299,585

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Gas Exploration:		
Anadarko Pete Corp	70,300	2,829,575
Enron Oil and Gas Co	6,300	256,725
Maxus Energy Corp	33,000	297,000
Occidental Pete Corp	423,700	8,897,700
Oryx Energy Co	77,300	1,584,650
Santa Fe Energy Res Inc	22,305	234,203
Seagull Energy Corp	17,800	480,600
Union Tex Pete Hldgs Inc	16,100	382,375
		14,962,828
International Oil:		
Amoco Corp	292,200	16,034,475
Exxon Corp	728,518	48,173,253
Imperial Oil Ltd	120,000	4,455,000
Royal Dutch Pete Co	135,800	12,595,450
		81,258,178
Petroleum Services:		
Ashland Oil Co	83,200	2,121,600
Baroid Corp New	45,300	317,100
Diamond Shamrock Inc	44,700	871,650
Halliburton Co	79,800	3,042,375
Helmerich and Payne Inc	6,000	209,250
Horsham Corp	163,800	2,067,975
Lyondell Petrochemical Co	74,700	1,578,038
McDermott Intl Inc	58,800	1,690,500
Noble Drilling Corp	134,400	1,058,400
Parker Drilling Co	159,800	1,038,700
Repsol S A, ADR	147,700	3,674,038
Rowan Cos Inc	218,800	2,188,000
Smith Intl Inc	21,563	202,148
Societe Nationale Elf Aquitaine, ADR	22,800	766,650
Total S A, ADR	33,300	786,713
Western Co North America	97,000	1,539,875
		23,153,012

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Banks:		
Banc One Corp	187,380	10,540,125
Bancorp Hawaii Inc	39,000	1,750,125
Bank of Boston Corp	21,700	537,075
Bank New York Inc	95,200	5,652,500
BankAmerica Corp	282,232	12,770,998
Bankers Trust NY Corp	46,100	3,417,163
Barnett Bks Inc	168,450	8,043,488
Boatmens Bancshares Inc	12,400	748,650
Chase Manhattan Corp	153,200	4,940,700
Chemical Bkg Corp	142,632	5,830,083
Citicorp Pfd.8.250	37,900	724,838
Citicorp Conv. Pfd.	113,200	10,244,600
Comerica Inc	38,964	1,154,309
Commerce Bancshares Inc	26,700	747,600
Concord Efs Inc	80,000	2,360,000
Continental Bk Corp	57,900	1,382,363
Corestates Finl Corp	14,900	860,475
Corporacion Bancaria de Espana, ADR	78,000	1,404,000
Cullen Frost Bankers Inc	23,400	810,225
First American Corp Tenn	37,200	1,092,750
First Chicago Corp	115,000	4,729,375
First Fidelity Bancorp New	140,400	6,897,150
First Intst Bancorp	71,100	4,461,525
First UN Corp	411,808	19,972,688
Fleet Finl Group Inc	113,800	3,840,750
Keycorp	73,250	3,058,188
MBNA Corp	158,600	4,639,050
MNC Finl Inc	36,600	535,275
Mellon Bk Corp	71,585	4,035,604
Morgan J P & Co Inc	146,400	9,936,900
NBD Bancorp Inc	82,662	2,676,182
Nationsbank Corp	397,722	19,736,954
Norwest Corp	481,400	13,178,325
PNC Bk Corp	284,400	9,314,100
Roosevelt Finl Group Inc	26,400	1,128,600
Shawmut National Corp	23,400	558,675
Signet Banking Corp	21,900	1,322,213
Southern Natl Corp N C	28,700	627,813
Southern Natl Corp N C Conv. Pfd. Ser. A	28,000	1,011,500
Standard Fed Bk Troy Mich	97,400	2,276,725
State Street Boston Corp	58,000	1,921,250
Summit Bancorporation	53,000	1,099,750
Suntrust Bks Inc	61,606	2,903,183

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Banks (Continued):		
U S Bancorp	115,300	2,882,500
Wells Fargo & Co	33,500	3,693,375
West One Bancorp	40,000	1,975,000
		203,424,717
Financial Services:		
Allstate Corp	297,500	8,627,500
American Express Co	494,000	15,931,500
Autofinance Group Inc	94,000	869,500
Bear Stearns Cos Inc	79,300	1,863,550
Beneficial Corp	46,100	3,388,350
Burlington Inds Equity Inc	295,000	4,314,375
Citicorp	241,500	7,275,188
Countrywide Cr Inds Inc	81,900	2,508,188
Cragin Finl Corp	34,200	833,625
Dean Witter Discover & Co	25,000	937,500
Federal Home Ln Mtg Corp	51,310	2,866,946
Federal Natl Mtg Assn	355,300	29,445,488
Foothill Group Inc	47,800	519,825
GFC Finl Corp	34,850	1,049,856
Green Tree Finl Corp	38,900	1,633,800
Grupo Financiero Bancomer, ADR	1,400	45,631
Household Intl Inc	60,600	4,188,975
John Alden Finl Corp	4,700	106,338
Korea Fd Inc	132,000	1,980,000
Legg Mason Inc	50,000	1,375,000
Mercury Fin Co	91,600	1,454,150
Merrill Lynch & Co Inc	80,600	6,528,600
Metropolitan Finl Corp	22,990	356,345
Primerica Corp New	277,600	14,608,700
Salomon Inc	29,100	1,113,075
		113,822,005
Insurance:		
Ace Ltd	51,800	1,541,050
Exel Ltd	160,600	7,708,800
Aflac Inc	50,375	1,429,391
Aetna Life & Cas Co	155,000	8,583,125
Alexander & Alexander Svcs	10,100	279,013
Allmerica PPTY & Cas Cos Inc	29,700	1,652,063
Ambac Inc	22,000	921,250

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Insurance (Continued):		
American Bankers Ins Group Inc	18,500	499,500
American Gen Corp	331,000	10,467,875
American Intl Group Inc	150,968	19,474,872
Aon Corp	25,300	1,344,063
Cigna Corp	39,600	2,410,650
CNA Finl Corp	175,400	16,575,300
Capital Hldg Corp DE	49,800	1,948,425
Chubb Corp	44,400	3,857,250
Continental Corp	13,700	426,413
Crawford & Co	21,500	378,938
Equifax Inc	159,400	3,307,550
Fremont Gen Corp	86,250	2,123,906
General Reinsurance Corp	36,000	4,108,500
Guaranty Natl Corp New	60,300	1,341,675
Hartford Steam Boiler Insp & Ins	10,000	546,250
Jefferson Pilot Corp	37,900	1,890,263
Liberty Corp S C	26,500	804,938
Life Re Corp	33,500	1,210,188
Lincoln Natl Corp IN	65,200	2,534,650
Loews Corp	252,700	23,911,738
MBIA Inc	14,500	955,188
MGIC Invt Corp Wis	14,000	805,000
Marsh & McLennan Companies Inc	77,900	6,806,513
NAC RE Corp	50,000	1,775,000
NWNL Cos Inc	29,000	899,000
Nymagic Inc	11,000	287,375
Phoenix Re Corp	54,400	1,659,200
Safeco Corp	110,500	6,450,438
St. Paul Companies Inc	10,500	833,438
Torchmark Inc	23,950	1,272,344
Transamerica Corp	30,500	1,612,688
Travelers Corp	56,900	1,820,800
Unum Corp	126,400	6,825,600
USF&G Corp	39,200	710,500
USF&G Corp Conv. Pfd. Ser. C	18,900	1,578,150
Unicare Finl Corp	5,900	92,188
USLife Corp	44,300	1,832,913
Zenith Natl Ins Corp	60,000	1,432,500
		158,926,471

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Investment Companies:		
Edwards, A.G. Inc	20,000	510,000
Franklin Res Inc	72,000	2,826,000
Morgan Stanley Group Inc	29,200	2,018,450
Paine Webber Group Inc	171,100	4,983,288
United Asset Mgmt Corp	40,000	1,640,000
		11,977,738
Savings and Loan:		
Ahmanson, H.F. and Co	139,900	2,430,763
Boston Bancorp	26,600	844,550
Collective Bancorp Inc	38,600	1,158,000
First Finl Corp Wic	50,500	770,125
Golden West Finl Corp Del	15,900	673,763
Great Westn Finl Corp	97,350	1,630,613
		7,507,814
Broadcasting:		
BHC Communications Inc	21,000	1,522,500
Belo, A.H. Corp	2,700	126,225
CBS Inc	3,117	729,378
Capital Cities ABC Inc	11,500	5,899,500
Comcast Corp	34,500	759,000
Comcast Corp	480,000	9,840,000
Comsat Corp	54,200	1,639,550
Geotek Inds Inc	59,900	449,250
Grupo Televisa SA, ADR	50,000	1,880,000
Heritage Media Corp	23,000	261,625
Liberty Media Corp	73,554	1,673,354
Liberty Media Corp Class E Pfd. 6.00	926	59,033
Lin Broadcasting Corp	85,000	8,436,250
Meda Inc	125	265
Rogers Communications Inc, Class B	195,000	2,966,536
Tele Communications Inc	528,192	12,016,368
Telecomunicacoes Brasileras, ADR	9,700	312,459
Turner Broadcasting Sys Inc, Class B	25,000	512,500
		49,083,793

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Business Services:		
Tadiran Limited	16,800	514,500
Teledata Communications Inc	12,000	228,000
Sapiens Intl Corp NV	20,900	543,400
Amtech Corp	28,375	677,453
Automatic Data Processing Inc	35,300	1,694,400
Barret Business Svcs Inc	62,500	562,500
Block H & R Inc	26,600	950,950
CUC Intl Inc	189,225	5,250,994
Centex Telemanagement Inc	98,000	833,000
De Luxe Corp	69,600	2,662,200
Donnelley, R.R. & Sons Co	39,200	1,107,400
Ecolab Inc	8,200	351,575
First Data Corp	75,000	2,775,000
General Mtrs Corp, Class E	208,000	6,084,000
GTech Hldgs Corp	35,000	1,216,250
Gymboree Corp	8,000	338,000
JWP Inc	9,900	12,375
Legent Corp	60,000	2,145,000
Medaphis Corp	60,000	1,162,500
Norwood Promotional Prods Inc	20,000	245,000
Ogden Corp	43,400	1,139,250
Omnicom Group	75,500	3,104,938
Quarterdeck Office Sys	200,000	650,000
Rollins Inc	50,000	1,206,250
Safety Kleen Corp	14,587	266,213
Service Corp Intl	18,675	385,172
Servicemaster Ltd Partnership	39,900	947,625
Sothebys Hldgs Inc	33,400	430,025
Stone & Webster Inc	45,000	1,113,750
Sun Guard Data Systems	50,000	1,537,500
Taubman Centers Inc	17,700	256,650
		40,391,870

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Newspapers:		
Dow Jones & Co Inc	25,450	706,238
Dow Jones & Co Inc Class B Conv.	3,150	87,413
Gannett Inc	58,800	2,925,300
Knight Ridder Inc	14,100	736,725
New York Times Co	19,800	482,625
Reuters Hlds plc, ADR	105,000	6,615,000
Times Mirror Co	32,400	939,600
Tribune Co New	36,700	1,972,625
		14,465,526
Office Furnishings & Supplies:		
Miller Herman Inc	26,100	665,550
Moore Corp Ltd	23,700	394,013
Reynolds & Reynolds Co	41,400	1,526,625
Viking Office Prods Inc	100,000	3,725,000
		6,311,188
Publishing:		
American Greetings Corp	69,300	3,967,425
Devon Group Inc New	14,600	211,700
Dun & Bradstreet Corp	82,800	4,874,850
Harland, John H.Co	69,100	1,891,613
Houghton Mifflin Co	20,300	824,688
Jostens Inc	11,700	226,688
Marvel Entmt Group Inc	29,570	1,116,268
McGraw Hill Inc	12,200	719,800
Meredith Corp	3,700	132,738
Meredith Corp, Class B	900	32,288
National Ed Corp	7,700	57,750
Time-Warner Inc	295,900	11,429,138
		25,484,946
Telecommunication Services:		
Cellular Communications Inc	60,000	2,340,000
Cellular Communications Inc, Conv. Pfd.	225,000	8,775,000
Millicom Inc	130,000	1,543,750
Vanguard Cellular Sys Inc	105,000	2,769,375
		15,428,125

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Commingled:		
Alltrista Corp	1,725	24,581
Conglomerates:		
ITT Corp	271,400	23,136,850
Textron Inc	245,836	13,797,546
		36,934,396
Futures:		
Pru Bache Cap Ret Future Fd II	10,000,000	15,934,000
Pru Bache Futures LP	10,000,000	12,184,000
Pru Bache Optimax Futures LP	20,000,000	25,096,000
		53,214,000
Limited Partnership:		
Beta Partners LP	1,979,287	1,687,358
Clayton & Dubilier Assoc III	662,450	904,709
Clayton & Dubilier Assoc II	2,031,147	5,833,331
Crossroads Capital III	6,000,000	5,768,916
Fontenac Venture Ltd Prtship	10,000,000	6,772,670
John Hancock Venture Cap	9,881,688	9,611,730
MFA Masters, Venture Capital	489,706	77,217,690
Narragansett Cap Partners Blp	7,929,420	6,520,735
New Enterprises Assoc IV	6,427,418	6,776,086
Pru Bache Pension & Intl Inv, PTR	27,659	6,499,865
Prudential Limited	9,115,707	10,278,360
Sentry Financial Corp LP	50,000,000	50,000,000
TA Associates, Venture Capital	20,000,000	19,782,120
Thomas H Lee Equity Ptr	3,634,838	3,061,479
Vista III Ltd Prtn	3,776,243	2,801,628
WCAS Capital Partners	8,463,083	7,266,750
		220,783,427
Miscellaneous:		
Caremark Intl Inc	18,750	300,000
Consorcid Grupo Dina SA de CV, ADR	29,900	474,663
Discovery Zone Inc	8,000	300,000
Distribuidora Chilectra Metro, ADR	30,300	670,388
Dovatron Intl Inc	1,450	24,650
Fila Holdings SpA ADR	20,000	352,500
First USA Inc	35,300	1,469,363

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Miscellaneous (Continued):		
Geon Co	39,300	722,138
Jardine Fleming China Region	35,610	636,529
Maderas Y Sinteticos Sociedad, ADR	33,700	564,475
Monogenesis Corp	1	0
TDX Corp	100,000	550,000
The Four Seasons Fund	5,000	7,972,400
YPF Sociedad Anonima, ADR	61,800	1,344,150
Zurich Reins Centre Hldgs Inc	16,000	516,000
		15,897,256
Mutual Funds:		
Genesis Chile Fund	38,500	697,813
China Fund Inc	31,799	536,608
Morgan Stanley Emerg. Mkt. Fd. In	14,054	277,573
Morgan Stanley Emerging Mkts. F	15,378	17,300
China Fund	9,400	9,080
New Germany Fd. Inc	326,900	3,269,000
Swiss Helvetia Fd. Inc	239,300	3,888,625
GT Chile Growth	10,000	190,000
		8,885,999
Real Estate:		
Aetna Congregate Care Fund	15,952,182	13,163,134
Bear Stearns Realty Partners	24,687,500	24,547,942
Carr Rlty Corp	7,900	199,475
Copley Real Estate Fund	10,000,000	6,295,060
Federal Rlty Invt Tr	34,200	914,850
First Chicago Investments, Real Estate Acct.	292	68,367
Franklin Advantage Real Estate	1,402,500	13,445,537
Franklin Real Estate Income Fd	634,138	6,530,666
Franklin Select Real Estate	1,077,608	10,612,251
John Hancock RE Ltd Partn	5,000,000	3,753,410
Health Care PPTY Invs Inc	13,400	391,950
IRT PPTY Co	4,900	63,700
Lehndorff & Babson Fd IV	10,000,000	10,853,230
Lehndorff & Babson Prop Fd II	3,500,000	3,197,898
Lehndorff & Babson Prop Fd III	9,500,000	8,757,357
Meridian Pt Rlty Tr VI Co	792,500	6,410,278
Meridian Pt Rlty Tr VII Co, Pfd.	1,040,756	9,785,589
Merry Land and Invt Co	13,700	231,188
Metric Instl Apart Fund, Real Estate	5,000,000	4,419,470
Property Tr Amer	8,280	153,180

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Real Estate (Continued):		
Pru Bache Sec Eq Fogelman	18,900,000	19,103,005
Public Storage Inst Fd II	7,500,000	7,075,763
Rouse Co, Conv. Ser. A	9,700	494,700
SSB Real Estate Fund IV AEW	7,401	2,075,498
SSB Real Estate Fund V AEW	7,449	5,047,073
Shurguard Institutional Fund	8,000,000	8,757,480
Sierra Cap R.E.L.P. Adv Fd	7,500,000	7,935,285
Sierra Cap Rlty Tr VIII, Pfd.	1,560,754	12,519,282
Sterling Group Inc	15,000,000	14,593,545
TA Associates Realty, Advent Realty Fund II	7,370,000	7,435,600
Vornado Rlty Tr	7,200	258,300
Weingarten Rlty Invs	12,600	548,100
Western Invt Real Estate Tr	6,800	98,600
		209,736,763
Puts:		
JPY Jan 115 Put	904,088,016	49,528
Construction Materials:		
Armstrong World Inds Inc	44,300	1,428,675
Masco Corp	120,700	3,605,913
Owens Corning Fiberglas Corp	10,400	434,200
Sherwin Williams Co	22,100	715,488
Vulcan Matls Co	3,900	180,375
		6,364,651
Forest Products:		
Georgia Pac Corp	65,000	3,794,375
Louisiana Pac Corp	118,500	3,792,000
Weyerhaeuser Co	116,700	4,974,338
		12,560,713
Homebuilders:		
Centex Corp	8,000	273,000
Kaufman & Broad Home Corp	9,000	167,625
Pulte Corp	7,200	227,700
		668,325

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Aerospace (Continued):		
Allied Signal Inc	126,500	8,443,875
Boeing Co	85,850	3,176,450
Coltec Inds Inc	60,500	945,313
E Sys Inc	60,800	2,568,800
Grumman Corp	29,182	1,159,985
Litton Inds Inc	10,000	640,000
Lockheed Corp	53,200	3,511,200
Martin Marietta Corp	133,986	10,568,146
McDonnell Douglas Corp	12,200	904,325
Northrop Corp	11,700	488,475
Rockwell Intl Corp	122,400	4,069,800
TRW Inc	35,700	2,253,563
Watkins Johnson Co	11,500	211,313
		38,941,245
Computers & Business Equipment:		
Amdahl Corp	28,300	155,650
Apple Computer	55,400	2,188,300
Ceridian Corp	10,200	153,000
Cisco Systems Inc	60,000	3,285,000
Compaq Computer Corp	70,584	3,458,616
Control Data Sys Inc	2,550	31,556
Cray Research Inc	77,200	2,142,300
Data Gen Corp	8,700	83,738
Digital Equip Corp	131,400	5,485,950
EMC Corp	164,600	3,682,925
Gates FA Dist Inc	62,000	821,500
Gerber Scientific Inc	52,600	611,475
Hewlett Packard Co	64,100	5,192,100
Intelligent Electrs Inc	29,000	366,125
Intergraph Corp	11,800	106,200
International Business Mach	144,700	7,144,563
Pitney Bowes Inc	39,600	1,643,400
Pyramid Technology Corp	30,000	592,500
Sequent Computer Sys Inc	120,000	2,040,000
Storage Technology Corp	41,000	1,604,125
Stratus Computer Inc	36,200	1,185,550
Sun Microsystems Inc	238,100	7,053,713
Synoptics Communications Inc	15,000	540,000
Tandem Computers Inc	27,400	342,500
Unisys Corp	82,700	1,002,738

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Computers & Business Equipment (Continued):		
Unisys Corp, Conv. Pfd. Ser. A 3.75	8,900	426,088
Xerox Corp	61,697	4,928,048
		56,267,660
Electronics:		
Tecnomatix Technologies Ltd	21,700	393,313
ACX Technologies Inc	5,366	220,006
Advanced Micro Devices Inc	130,800	3,155,550
Altera Corp	70,000	1,303,750
American Superconductor Cor	30,000	720,000
AMP Inc	26,500	1,623,125
Andrew Corp	2,800	77,700
Anthem Electrs Inc	50,000	1,643,750
Augat Inc	65,200	1,092,100
Cirrus Logic Inc	50,000	868,750
Comverse Technology Inc	12,800	212,800
Crosscomm Corp	29,000	913,500
Cypress Semiconductor Corp	145,000	2,084,375
DSC Communications Corp	43,500	2,207,625
Destec Energy Inc	31,100	559,800
ECI Telecom Ltd, Ord.	12,800	481,600
EG & G Inc	104,300	2,007,775
Electroglas Inc	10,000	160,000
Electronics for Imaging Inc	18,700	350,625
Elscint Ltd, Ord.	48,900	268,950
Empi Inc	38,400	1,228,800
General Instrument Corp	10,700	415,963
General Motors Corp, Class H	94,000	3,031,500
Haemonetics Corp	75,000	1,865,625
Harris Corp Del	9,700	375,875
Honeywell Inc	44,300	1,644,638
Intel Corp	483,700	26,603,500
Kulicke & Soffa Inds Inc	52,300	1,098,300
LSI Logic Corp	184,400	2,904,300
Linear Technology Corp	130,000	3,753,750
Loral Corp	78,900	4,714,275
M/A Com Inc	5,900	48,675
Maxim Integrated Prods Inc	80,000	2,740,000
Micron Technology Inc	222,400	8,256,600
Motorola Inc	218,200	19,065,225
National Semiconductor Corp	127,300	2,052,713
National Semiconductor Corp Conv. Pfd.	6,300	433,125
Northern Telecom Ltd	67,500	1,797,188

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Electronics (Continued):		
Perkin-Elmer Corp	8,300	273,900
Picturetel Corp	30,000	667,500
Raytheon Co	64,110	3,934,751
Sci Sys Inc	26,000	448,500
Scientific Atlanta Inc	8,550	276,806
Sensormatic Electrs Corp	149,000	5,811,000
Silicon Graphics Inc	83,000	3,102,125
Tektronix Inc	6,900	181,125
Teledyne Inc	13,800	291,525
Texas Instrs Inc	108,675	7,593,634
Texas Instrs Inc, Conv. Pfd. A	9,524	366,674
Thomas & Betts Corp	4,800	306,000
Xilinx Inc	50,000	1,937,500
		127,566,186
Miscellaneous:		
Komag Inc	31,900	542,300
Software:		
Adobe Sys Inc	140,000	8,645,000
Aldus Corp	25,000	406,250
Audre Recognition Sys Inc	40,000	152,500
Autodesk Incorporated	5,800	326,975
Cadence Design Systems Inc	107,100	1,459,238
Computer Assoc Intl Inc	99,350	2,955,663
Computer Sciences Corp	3,900	325,163
Informix Corp	148,000	3,996,000
Landmark Graphics Corp	50,000	987,500
Lotus Dev Corp	10,300	356,638
Marcam Corp	50,000	987,500
Microsoft Corp	60,000	5,280,000
Novell Inc	196,000	5,096,000
Oracle Sys Corp	121,400	5,978,950
Policy Mgmt Sys Corp	77,000	2,820,125
Progress Software Corp	40,000	1,820,000
Read Rite Corp	13,800	138,000
Scitex Ltd, Ord.	11,900	456,663
Shared Medi Cal System	5,400	126,225
Solectron Corp	5,000	235,000
Sterling Software Inc	46,800	895,050

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Software (Continued):		
Structural Dynamics Resh Corp	52,500	794,063
Symantec Corp	70,000	936,250
Syquest Technology Inc	49,900	548,900
		45,723,653
Railroads & Equipment:		
Burlington Northn Inc	19,800	1,061,775
Burlington Northn Inc 6.25% Cum Conv. Pfd. Ser. A	11,500	740,313
CSX Corp	85,896	6,141,564
Conrail Inc	48,804	2,617,115
GATX Corp	6,700	250,413
GATX Corp Conv. Pfd. 3.875	14,900	804,600
Illinois Cent Corp	25,000	678,125
Norfolk Southn Corp	57,200	3,725,150
Santa Fe Pac Corp	65,140	1,196,948
Trinity Inds Inc	7,300	367,738
Union Pac Corp	93,500	5,703,500
		23,287,241
Trucking & Freight Forwarding:		
Airbourne Freight Corp	16,500	412,500
Alexander & Baldwin Inc	89,700	2,309,775
Consolidated Freightways Inc	8,050	128,800
Federal Express Corp	13,500	629,438
Hornbeck Offshore Svcs Inc	72,200	1,164,225
Hunt, J.B. Trans Svcs Inc	65,850	1,349,925
Pittston Co	9,200	167,900
Roadway Svcs Inc	9,700	562,600
Ryder Sys Inc	53,850	1,682,813
Smart & Final Inc	50,000	837,500
Yellow Corp	6,900	132,825
		9,378,301
Electric Utilities:		
American Elec Pwr Inc	46,600	1,759,150
Baltimore Gas & Elec Co	54,500	1,396,563
Boston Edison Co	18,000	551,250
CMS Energy Corp	118,500	2,947,688
California Energy Inc	15,000	271,875

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Electric Utilities (Continued):		
Carolina Pwr & Lt Co	43,100	1,406,138
Centerior Energy Corp	11,900	218,663
Central & South West Corp	47,500	1,543,750
Cincinnati Gas & Elec Co	11,450	312,013
Commonwealth Edison Co	60,800	1,702,400
Consolidated Edison Co NY Inc	59,100	2,083,275
DQE	9,100	315,088
DPL Inc	67,850	1,373,963
Detroit Edison Co	181,900	6,321,025
Dominion Res Inc VA	41,150	1,831,175
Duke Pwr Co	82,400	3,285,700
Entergy Corp	192,900	6,992,625
FPL Group Inc	46,100	1,757,563
Houston Inds Inc	70,200	3,071,250
Illinois Pwr Co	234,500	5,950,438
New York St Elec & Gas Corp	9,100	320,775
Niagara Mohawk Pwr Corp	75,700	1,826,263
Northern Sts Pwr Co Mn	15,600	715,650
Ohio Edison Co	38,500	948,063
Oklahoma Gas & Elec Co	41,700	1,532,475
PSI Resources Inc	13,700	327,088
Pacific Gas & Elec Co	121,600	4,058,400
Pacificorp	68,300	1,297,700
Philadelphia Elec Co	564,500	17,287,813
Pinnacle West Cap Corp	300,400	6,946,750
Portland Gen Corp	24,600	544,275
Public Svc Enterprise Group	59,400	2,034,450
SCEcorp	112,600	2,730,550
Southern Co	128,000	5,392,000
Texas Utils Co	63,800	2,918,850
Union Elec Co	26,200	1,084,025
		95,056,719
Gas & Pipeline Utilities:		
Arkla Inc	30,200	298,225
Coastal Corp	106,075	2,771,209
Columbia Gas Sys Inc	32,700	809,325
Consolidated Nat Gas Co	61,500	3,251,813
Eastern Enterprises	5,500	156,063
El Paso Nat Gas Co	18,800	733,200
Enron Corp	59,000	3,886,625
Enserch Corp	16,800	304,500

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Shares	Value
DOMESTIC COMMON AND PREFERRED STOCKS (CONTINUED):		
Gas & Pipeline Utilities (Continued):		
Nicor Inc	13,600	370,600
Oneok Inc	6,100	159,363
Pacific Enterprises	40,600	989,625
Panhandle Eastn Corp	221,098	5,416,901
Peoples Energy Corp	51,400	1,664,075
Sonat Inc	10,700	714,225
Southwestern Energy Co	9,800	472,850
Transcanada Pipelines Ltd	91,000	1,410,500
Transco Energy Co	10,200	170,850
Williams Cos Inc	34,700	1,899,825
		25,479,774
Telephone:		
Alltel Corp	32,500	1,738,750
American Tel & Teleg Co	499,346	31,458,798
Ameritech Corp	91,600	7,362,350
Associated Communications Corp	50,000	1,012,500
Associated Communications Corp, Class B	50,000	1,000,000
Bell Atlantic Corp	170,900	10,147,188
Bellsouth Corp	147,000	8,158,500
British Telecommunications, ADR	11,900	764,575
Cellular Comms Puerto Rico	106,782	1,761,903
Compania de Telefonos Chile SA, ADR	24,500	1,626,188
Contel Cellular Inc	20,900	323,950
GTE Corp	432,200	15,613,225
MCI Communications Corp	229,300	13,184,750
McCaw Cellular Communications	320,000	14,720,000
Nynex Corp	181,980	16,469,190
Pacific Telesis Group	135,000	6,564,375
Philippine Long Distance Tel	18,500	659,063
Rogers Cantel Mobile Commn Inc, Class B	80,000	1,800,000
Southwestern Bell Corp	324,200	12,562,750
Sprint Corp	201,600	7,081,200
Telefonica de Espana SA, ADR	59,500	1,904,000
Telefonos de Mexico SA, ADR	159,231	7,444,049
Telephone & Data Sys Inc	350,000	15,487,500
United States Cellular Corp	90,000	2,497,500
US West Inc	168,600	7,733,429
Vodafone Group plc, ADR	8,000	546,000
		189,621,733

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
FOREIGN GOVERNMENT AND CORPORATE BONDS:				
Australian Dollar:				
Pioneer Concrete, Conv.	9.50%	6/21/98	600,000	407,804
Australia (Cmnwlth)	9.00	9/15/04	6,175,000	4,590,046
Australia (Cmnwlth)	9.50	8/15/03	1,500,000	1,147,945
Australia (Cmnwlth)	7.00	8/15/98	32,000,000	21,462,188
Queensland Treas	8.00	5/14/03	5,500,000	3,743,816
				31,351,799
Canadian Dollar:				
Canada Govt	0.00	2/01/03	6,100,000	2,230,970
Canada Govt	9.75	6/01/01	4,830,000	4,269,094
Canada Govt	9.75	6/21/01	17,950,000	16,425,382
Manitoba Prov CDA	9.25	5/21/97	2,800,000	2,345,193
Ontario Hydro	8.90	8/18/22	1,800,000	1,410,684
				26,681,323
Deutsche Mark:				
Germany (Fed Rep)	8.38	5/21/01	2,200,000	1,422,190
Germany (Fed Rep)	8.00	7/22/02	4,750,000	3,025,210
Germany (Fed Rep)	6.63	1/20/98	4,000,000	2,381,855
				6,829,255
Danish Kroner:				
Denmark (Kingdom)	9.00	11/15/00	37,000,000	6,343,474
Denmark (Kingdom)	9.00	11/15/98	25,000,000	4,236,182
Denmark (Kingdom)	9.00	11/15/96	5,000,000	823,596
Denmark (Kingdom)	8.00	5/15/03	78,500,000	12,936,445
Denmark (Kingdom)	9.00	11/15/00	24,000,000	4,116,150
				28,455,847

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
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PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
FOREIGN GOVERNMENT AND CORPORATE BONDS (CONTINUED):				
Spanish Peseta:				
BCO Santander SA, Conv.	9.00%	6/24/94	220,000,000	1,776,339
Spain (Kingdom of)	11.40	7/15/95	520,000,000	4,077,804
Spain (Govt of)	11.00	6/15/97	635,430,000	5,057,670
Spain (Govt of)	11.30	1/15/02	100,000,000	815,837
Spain (Govt of)	10.30	6/15/02	1,119,750,000	8,688,118
Spain (Govt of)	13.65	3/15/94	200,000,000	1,564,546
Spain (Govt of)	13.45	4/15/96	510,000,000	4,260,265
Spain (Govt of)	11.45	8/30/98	240,000,000	1,927,226
Spain Govt	10.90	8/30/03	683,000,000	5,405,875
				33,573,680
Finnish Markka:				
Finland (Rep of)	11.00	1/15/99	65,000,000	12,696,540
Finland (Rep of)	11.00	3/15/01	7,000,000	1,341,480
				14,038,020
French Franc:				
Imetal, Conv.	6.25	1/01/97	2,624	201,018
Imetal, Conv.	6.25	1/01/97	12,811	981,420
France (Govt of)	8.50	11/12/97	13,250,000	2,512,481
France (Govt of)	8.00	10/12/93	4,300,000	750,537
France (Govt of)	8.12	5/25/99	14,300,000	2,718,804
France (Govt of)	8.50	3/12/97	20,000,000	3,757,951
France (Govt of)	8.50	10/25/08	3,000,000	593,361
France (Govt of)	0.01	4/25/97	7,999,860	1,110,094
France (Govt of)	0.01	10/25/16	99,999,950	3,095,515
France (Govt of)	0.01	4/25/12	28,360,760	1,243,724
French (Govt of)	0.01	4/25/03	4,000,000	363,887
				17,328,792
Pound Sterling:				
Treasury	8.50	7/16/07	1,400,000	2,114,423
Guaranteed Exp Fin	10.63	9/15/01	2,000,000	3,438,784
Treasury	8.00	6/10/03	8,900,000	13,607,841
Conversion	10.25	11/22/99	1,250,000	2,135,239
Treasury	8.00	9/27/13	1,000,000	1,476,698
Treasury	7.25	3/30/98	650,000	985,337

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
FOREIGN GOVERNMENT AND CORPORATE BONDS (CONTINUED):				
Pound Sterling (Continued):				
Conversion	9.00	3/03/00	5,850,500	9,502,274
Treasury	8.75	9/01/97	400,000	637,725
Treasury	9.00	10/13/08	3,000,000	4,866,944
				38,765,265
Irish Punt:				
Ireland (Rep of)	9.00	7/15/01	2,550,000	4,045,038
Italian Lire:				
Italy (Republic of)	12.00	1/01/96	2,020,000,000	1,339,579
Italy (Republic of)	12.00	1/01/98	10,200,000,000	6,803,824
Italy (Republic of)	11.50	3/01/98	5,355,000,000	3,552,943
Italy (Republic of)	12.00	10/01/95	11,600,000,000	7,715,157
Italy (Republic of)	12.00	1/17/99	3,600,000,000	2,403,680
Italy (Republic of)	12.00	5/01/02	1,500,000,000	1,002,990
Italy (Republic of)	12.00	1/01/02	12,400,000,000	8,279,342
Italy (Republic of)	11.50	3/01/96	2,115,000,000	1,405,180
Italy (Republic of)	11.50	3/01/03	1,230,000,000	813,136
				33,315,831
Japanese Yen:				
Japan Dev Bank	5.00	10/01/99	250,000,000	2,403,457
Japan Dev Bank	4.90	3/20/09	1,166,000,000	10,259,662
Japan Dev Bank	5.00	9/21/98	255,000,000	2,496,642
Japan Dev Bank	5.00	9/21/09	240,000,000	2,149,335
Japan Dev Bank	4.50	6/20/03	1,039,000,000	9,589,215
Japan Dev Bank	4.80	12/20/02	1,105,000,000	10,476,973
Japan Govt No 22	5.30	3/20/13	430,000,000	3,946,268
Intl Bank Recon & Dev	4.50	3/20/03	1,077,000,000	9,988,133
Intl Bank Recon & Dev	4.50	12/22/97	40,000,000	381,272
Intl Bank Recon & Dev	5.25	3/20/02	497,000,000	4,865,422
				56,556,379
Mexican Peso:				
Mexican Atustabonos	5.30	7/14/94	14,651	586,408

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
FOREIGN GOVERNMENT AND CORPORATE BONDS: (CONTINUED):				
Netherlands Guilder:				
Dutch Govt	8.25	2/15/07	3,700,000	2,176,808
Dutch Govt	7.50	1/15/23	17,800,00	9,943,151
				12,119,959
New Zealand Dollar:				
New Zealand (Govt)	10.00	2/15/95	7,050,000	3,962,619
Swedish Kronor:				
Statens Bostad Fin	12.50	1/23/97	29,000,000	4,195,516
Sweden (Kingdom of)	13.00	6/15/01	14,000,000	2,274,716
Sweden (Kingdom of)	10.25	5/05/03	100,000,000	14,325,571
Sweden (Kingdom of)	11.00	1/21/99	26,500,000	3,870,962
				24,666,765
DOMESTIC BONDS:				
Convertible Bonds:				
Apache Corp	7.50	10/01/00	835,000	1,235,800
Bank of Boston Corp	7.75	6/15/11	450,000	518,625
Bank New York Inc	7.50	8/15/01	390,000	644,963
General Dynamics Corp	5.75	7/15/11	110,000	110,825
General Instr Corp	5.00	6/15/00	430,000	447,738
Amer Group	6.25	6/15/03	540,000	527,850
Hasbro Inc	6.00	11/15/98	470,000	657,413
Home Depot Inc	4.50	2/15/97	600,000	765,000
Grace (WR) & Co	6.25	9/15/02	340,000	358,488
ADT	6.00	10/03/02	640,000	839,200
Interface Inc	8.00	9/15/13	410,000	404,875
Ogden Corp	5.75	10/20/02	450,000	415,125
Tiffany & Co	6.38	3/15/01	260,000	264,063
Liebert Corp	8.00	11/15/10	120,000	260,250
Litton Inds Inc	0.01	9/26/10	610,000	239,425
Mark IV Inds Inc	6.25	2/15/07	460,000	722,200
Meditrust	9.00	1/01/02	140,000	159,600
Oryx Energy Co	7.50	5/15/14	430,000	417,100
Petrie Stores Corp	8.00	12/15/10	520,000	616,200
SKF	0.01	7/26/02	1,300,000	690,903
Sterling Software Inc	5.75	2/01/03	540,000	525,150
Stone Container Corp	6.75	2/15/07	170,000	115,600
Time Warner Inc	8.75	1/10/15	250,000	265,625
USX Marathon Group	0.01	8/09/05	11,000,000	4,468,750
Waban Inc	6.50	7/01/02	160,000	147,200
				15,817,968

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS:				
Asset Backed:				
Capital Auto Receivables Asset	4.90	2/15/98	500,000	503,905
Discover Card Tr	8.00	10/15/98	29,000,000	31,573,750
Discover Card Tr	7.85	11/21/00	38,000,000	41,312,840
MBNA Master Cr Card Tr	7.75	10/15/98	32,000,000	34,520,000
MBNA Master Cr Card Tr	6.20	8/15/99	10,000,000	10,340,600
Standard Cr Card Master Tr I	8.00	10/07/97	37,000,000	40,145,000
Standard Cr Card Master Tr I	7.88	11/09/98	45,000,000	49,134,150
Standard Cr Card Master Tr I	6.25	9/15/97	40,000,000	40,330,800
Standard Cr Card Tr	9.38	7/10/97	5,900,000	6,740,750
				254,601,795
Electric Utilities:				
Appalachian Pwr Co	7.50	12/01/98	500,000	510,200
Baltimore Gas & Elec Co	6.13	8/01/97	800,000	809,440
Baltimore Gas & Elec Co	7.63	9/01/01	700,000	718,900
Cambridge Elec Lt Co	6.25	6/01/97	495,000	499,841
Cambridge Elec Lt Co	7.75	6/01/02	966,000	996,236
Carolina Pwr & Lt Co	6.88	10/01/98	500,000	509,250
Castle Peak Pwr Co	6.87	3/07/01	1,000,000	1,000,000
Central Ill Pub Svc Co	7.50	7/01/07	5,000,000	5,398,500
Connecticut Lt & Pwr Co	7.25	7/01/99	4,000,000	4,206,400
Florida Pwr & Lt Co	7.63	1/01/01	4,000,000	4,106,000
Florida Pwr Corp	7.00	11/01/98	500,000	506,000
Florida Pwr Corp	6.13	8/01/97	500,000	506,000
Indiana & Mich Elec Co	7.00	5/01/98	1,000,000	1,018,100
Jersey Cent Pwr & Lt Co	6.63	9/01/97	700,000	710,500
Madison Gas & Elec Co	7.75	1/15/01	900,000	924,570
Metropolitan Edison Co	5.75	6/01/96	600,000	604,980
New England Pwr Co	7.13	7/01/98	21,000	21,370
Niagara Mohawk Pwr Corp	7.38	8/01/03	20,000,000	21,214,000
Ohio Edison Co	8.75	6/15/22	11,000,000	12,006,500
Old Dominion Elec Coop	7.97	12/01/02	12,000,000	13,285,980
Pennsylvania Pwr & Lt Co	8.13	6/01/99	900,000	920,520
Philadelphia Elec Co	7.13	9/01/02	5,000,000	5,225,500
Public Svc Elec & Gas Co	6.88	1/01/03	20,000,000	20,804,000
Southwestern Elec Pwr Co	7.00	12/01/97	500,000	508,400
Southwestern Pub Svc Co	7.25	7/15/04	5,000,000	5,389,500

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
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	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Electric Utilities (Continued):				
West Penn Pwr Co	7.00	11/01/97	300,000	305,310
West Penn Pwr Co	7.88	7/01/99	700,000	715,470
Western Resources Inc	7.25	8/15/02	5,000,000	5,322,500
				108,743,967
Finance & Banking:				
American Intl Group Inc	5.00	6/15/94	1,600,000	1,600,000
Bankco Nacional de Mexico SA	7.00	12/15/99	2,000,000	2,127,680
Bank VA Co	5.25	4/15/98	100,000	96,250
Bank VA Co	5.25	5/15/97	170,000	163,200
Bankamerica Corp	6.88	6/01/03	5,000,000	5,098,000
Chrysler Finl Corp	9.50	12/15/99	770,000	875,259
Citicorp Mtn Bk Entry	7.80	3/20/95	10,000,000	10,508,700
Citicorp Mtn Bk Entry	7.75	3/20/95	20,000,000	21,001,200
Citicorp	9.00	4/15/99	3,000,000	3,344,370
Comerica Inc	9.75	5/01/99	3,000,000	3,438,270
Commercial Cr Group Inc	6.70	8/01/99	5,000,000	5,176,500
Countrywide Fdg Corp	6.98	3/28/03	10,000,000	10,163,000
Exxon Cap Corp	7.45	12/15/01	15,000,000	16,371,000
First Md Bancorp	8.38	5/15/02	10,000,000	11,102,000
Ford Capital Bv	9.13	5/01/98	15,000,000	17,034,000
Ford Mtr Cr Co	6.25	2/26/98	15,000,000	15,315,000
General Elec Cap Corp	10.90	10/15/96	6,000,000	7,073,760
General Elec Cap Corp	10.80	12/05/96	4,000,000	4,723,880
General Elec Cr Corp	8.00	3/01/02	263,237	294,078
General Mtrs Accep Corp	7.85	5/08/97	25,000,000	26,655,250
General Mtrs Accep Corp	5.50	12/15/01	10,000,000	9,127,100
General Mtrs Accep Corp	7.75	4/15/97	11,750,000	12,453,825
General Mtrs Accep Corp	7.00	9/15/02	20,000,000	20,128,000
Goldman Sachs Group	7.80	7/15/02	25,000,000	26,361,250
Goldman Sachs Group LP	6.38	6/15/00	5,000,000	5,003,950
ITT Finl Corp	6.50	5/01/11	2,000,000	1,818,540
Integon Corp Del	8.00	8/15/99	500,000	520,085
Integra Finl Corp	8.50	5/15/02	12,000,000	13,321,875
International Finance Corp	10.10	6/09/97	5,000,000	5,000,000
Merrill Lynch & Co Inc	8.00	6/01/07	25,000,000	27,947,500
Merrill Lynch & Co Inc	5.50	7/28/95	10,000,000	10,180,000
Morgan Stanley Group Inc	8.10	6/24/02	15,000,000	16,761,000
Nationsbank Corp	8.13	6/15/02	12,000,000	13,248,000

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
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	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Finance & Banking (Continued):				
Nationsbank Corp	5.38	12/01/95	5,000,000	5,076,000
Navistar Finl Corp Mtn Bk Ent	9.75	8/15/95	2,500,000	2,531,325
Rouse Co	8.50	1/15/03	5,000,000	5,239,450
Shawmut Corp	8.13	2/01/97	5,000,000	5,395,500
Shearson Lehman Hldgs	7.85	8/12/02	10,000,000	10,633,400
Shearson/Amer Exp Pt	9.63	12/01/12	189,946	226,220
Shearson Lehman Hutton Hldgs	7.63	7/15/99	25,000,000	26,352,750
Smith Barney Hlds Inc	5.38	6/01/96	2,000,000	2,025,700
Tiphook Fin Corp	10.75	11/01/02	5,000,000	5,825,050
				387,337,917
Industrials:				
Cabot Corp	7.83	7/29/04	2,000,000	2,079,120
Chrysler Corp	12.00	11/15/15	1,030,000	1,126,563
Coastal Corp	8.13	9/15/02	4,000,000	4,131,400
Coca-Cola Enterprises Inc	8.00	9/15/22	10,000,000	10,713,000
Coltec Inds Inc	10.25	4/01/02	540,000	577,795
Comdisco Inc	7.75	9/01/99	5,000,000	5,165,650
Digital Equip Corp	7.13	10/15/02	20,000,000	20,804,000
Digital Equip Corp	7.75	4/01/23	4,550,000	4,604,919
Eaton Corp	7.00	4/01/11	800,000	772,752
Georgia Pac Corp	10.25	9/15/18	2,500,000	2,709,400
Lockheed Corp	6.75	3/15/03	10,000,000	10,013,000
Martin Marietta Corp	6.50	4/15/03	8,000,000	8,028,800
McDonnell Douglas Corp	8.63	4/01/97	5,000,000	5,193,600
Philip Morris Cos Inc	7.13	8/15/02	30,000,000	31,209,000
RJR Nabisco Inc	7.63	9/15/03	5,500,000	5,382,355
RJR Nabisco Inc	8.00	1/15/00	10,000,000	10,187,600
Synoptics Communications Inc	5.25	5/15/03	780,000	842,400
TJX Companies	9.50	5/01/16	900,000	956,070
Temple Inland Inc Mtn Bk Ent	8.13	12/15/06	1,650,000	1,851,201
USX Corp Mtn Bk Ent	7.98	8/05/02	5,000,000	5,415,600
Unisys Corp	10.63	10/01/99	120,000	134,100
Welbilt Corp	12.25	11/01/99	70,000	73,500
Whirlpool Corp	0.01	5/14/11	470,000	192,700
				132,164,525

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
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PORTFOLIO OF INVESTMENTS
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CORPORATE BONDS (CONTINUED):				
Miscellaneous:				
Greentree	7.55	10/15/99	1,500,000	1,556,160
Other:				
Ballys Grand Inc	11.50	4/15/96	100,000	129,500
Mattel Inc	8.00	3/15/01	300,000	481,620
System Energy Res Inc	8.40	7/01/02	5,000,000	5,384,500
Tele Communications Inc	9.80	2/01/12	800,000	940,976
Time Warner Inc	7.45	2/01/98	10,000,000	10,347,000
Time Warner Inc	9.13	1/15/13	2,000,000	2,142,920
USX Corp	6.38	7/15/98	1,000,000	999,340
				20,425,856
Other Utilities:				
Coastal Corp	10.25	10/15/04	1,000,000	1,158,290
Columbia Gas Sys Inc	9.91	5/28/20	100,000	111,204
Enserch Corp	7.00	8/15/99	10,000,000	10,315,000
SFP Pipeline Hldgs Inc	1.00	8/15/10	190,000	231,504
				11,815,998
Telephone:				
Cellular Communications Inc	0.01	7/27/99	260,000	161,200
GTE Southwest Inc	6.88	3/01/98	200,000	202,298
GTE Southwest Inc	9.25	3/01/00	200,000	205,480
GTE Southwest Inc	7.88	10/01/01	2,050,000	2,110,270
General Tel Co FL	8.00	3/01/01	400,000	411,760
General Tel Co KY	7.75	10/01/01	200,000	205,320
Hawaiian Tel Co	6.75	4/01/98	500,000	514,300
Hawaiian Tel Co	8.00	9/01/01	500,000	514,300
				4,324,928
Transportation:				
Amr Corp Del	8.90	2/26/07	750,000	794,933
Amr Corp Del	7.75	12/01/97	5,250,000	5,426,295
Airborne Fght Corp	8.88	12/15/00	2,000,000	2,251,500
Delta Air Lines Inc	9.75	5/15/21	500,000	505,065
Delta Air Lines Inc	9.25	3/15/22	4,000,000	3,961,280
Hertz Corp	7.63	8/01/02	10,000,000	10,671,000

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	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Transportation (Continued):				
Navistar Intl Transp. Corp	9.00	6/15/04	250,000	241,250
Ryder Sys Inc	9.38	1/15/98	2,500,000	2,648,000
				26,499,323
Corporate:				
Bass America Inc	8.13	3/31/02	18,500,000	20,579,400
Bank of Boston Corp	6.00	9/12/00	5,000,000	5,002,500
Argentina Rep of Par Ser L	4.00	3/31/23	2,000,000	1,060,000
				26,641,900
Government:				
Israel St	6.00	2/01/98	4,000,000	4,000,000
Israel St	6.00	5/01/94	2,000,000	2,000,000
Israel St	6.00	4/01/98	1,000,000	1,000,000
Israel St	8.00	7/01/96	3,000,000	3,000,000
Israel St	6.00	3/31/04	4,000,000	4,000,000
Israel St	6.00	2/01/95	2,000,000	2,000,000
Israel St	6.00	12/16/96	3,000,000	3,000,000
Manitoba Prov CDA	6.75	3/01/03	3,500,000	3,589,250
Ontario Prov CDA	7.38	1/27/03	5,000,000	5,315,450
				27,904,700
Corporate:				
Europe (Council of)	9.00	11/14/01	1,550,000	1,960,347
Credit Fonc France	8.38	3/17/04	950,000	1,161,931
Eurofima	8.50	6/04/07	1,000,000	1,253,249
European Inv Bank	9.00	4/20/99	1,000,000	1,248,940
France (Govt of)	9.50	4/25/00	1,230,000	1,601,566
Italy (Republic of)	9.25	3/07/11	925,000	1,118,067
Italy (Rep of)	0.01	3/07/05	3,977,500	1,975,408
				10,319,508

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	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Federal Agencies:				
Federal Home Ln Mtg Corp	7.00	2/15/17	5,250,000	5,371,380
Tennessee Valley Auth	6.00	1/15/97	5,000,000	5,171,850
				10,543,230
Federally Chartered:				
Federal Natl Mtg Assn	11.02	8/14/95	1,000,000	1,154,400
Stdnt Ln Marketing Assn	12.05	3/19/96	10,000,000	10,000,000
Stdnt Ln Marketing Assn	11.15	4/07/97	5,000,000	4,996,800
				16,151,200
Commingled:				
Furlough Loan Program	1.00	12/31/00	177,287	177,287
Guaranteed Investment Contract:				
Mass Mutual	8.95	11/15/05	5,000,000	5,768,750
Insurance Contracts:				
Home Life Insurance Co	8.66	9/23/98	881,960	792,891
Federal Agencies:				
Fed Hm Ln Pc C80034	7.50	3/01/23	6,408,108	6,652,385
Fed Hm Ln Pc C80035	8.00	3/01/23	1,976,480	2,076,529
Fed Hm Ln Pc C80041	7.50	4/01/23	7,181,524	7,455,284
Fed Hm Ln Pc C80042	7.00	4/01/23	1,284,320	1,308,401
Fed Hm Ln Pc C80043	7.00	5/01/23	8,240,984	8,395,502
Fed Hm Ln Pc C80044	7.50	5/01/23	2,618,255	2,718,062
Fed Hm Ln Pc C80052	6.50	6/01/23	1,866,564	1,861,314
Fed Hm Ln Pc C80053	7.00	6/01/23	15,093,608	15,376,613
Fed Hm Ln Pc #160026	8.00	9/01/07	2,083,834	2,195,840
Fed Hm Ln Pc #293023	8.00	2/01/12	2,489,449	2,623,257
				50,663,187

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	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Government Sponsored:				
FNMA Pool #050650	7.50	10/01/22	9,310,896	9,654,189
FNMA Pool #050653	7.00	10/01/22	504,625	513,295
FNMA Pool #050655	7.00	11/01/22	9,803,167	9,971,585
FNMA Pool #050656	7.50	11/01/22	40,043,870	41,520,287
FNMA Pool #050657	8.00	11/01/22	9,534,962	10,011,710
FNMA Pool #050665	7.50	12/01/22	44,271,224	45,903,504
FNMA Pool #050747	7.00	6/01/23	3,038,000	3,094,013
FNMA Pool #161361	8.25	5/01/22	7,165,578	7,541,771
FNMA Pool #164236	8.25	5/01/22	4,882,782	5,139,128
FNMA Pool #166111	8.00	6/01/22	2,455,443	2,578,215
FNMA Pool #166112	8.25	6/01/22	6,859,881	7,220,025
FNMA Pool #168759	8.25	6/01/22	5,323,879	5,603,382
FNMA Pool #171883	8.25	7/01/22	4,761,312	5,011,281
FNMA Pool #171884	8.25	7/01/22	4,180,605	4,400,087
FNMA Pool #180356	7.50	11/01/22	9,750,611	10,110,116
FNMA Pool #180464	7.75	8/01/22	1,009,665	1,049,416
FNMA Pool #180465	8.00	7/01/22	2,930,622	3,077,154
FNMA Pool #180466	8.25	7/01/22	998,887	1,051,328
FNMA Pool #180468	8.00	7/01/22	3,105,775	3,261,064
FNMA Pool #180469	8.25	7/01/22	3,619,302	3,809,315
FNMA Pool #181389	8.00	8/01/22	1,243,660	1,305,843
FNMA Pool #182453	7.50	12/01/22	10,101,865	10,474,321
FNMA Pool #183296	7.25	9/01/22	1,023,473	1,052,897
FNMA Pool #183298	7.50	9/01/22	1,200,152	1,244,402
FNMA Pool #183299	7.75	10/01/22	3,243,605	3,371,305
FNMA Pool #183300	8.00	9/01/22	3,969,139	4,167,596
FNMA Pool #183301	8.00	8/01/22	2,001,404	2,101,474
FNMA Pool #183302	8.25	8/01/22	2,272,354	2,391,653
FNMA Pool #184507	7.00	10/01/22	794,268	807,914
FNMA Pool #184623	7.50	10/01/22	10,127,370	10,500,766
FNMA Pool #185757	8.00	10/01/22	7,992,554	8,392,181
FNMA Pool #187215	7.50	10/01/22	9,901,373	10,266,437
FNMA Pool #188406	7.25	11/01/22	1,313,514	1,351,278
FNMA Pool #188407	7.50	11/01/22	1,271,498	1,318,378
FNMA Pool #188408	8.00	10/01/22	1,309,098	1,374,553
FNMA Pool #188409	8.25	10/01/22	2,019,940	2,125,987
FNMA Pool #188903	8.00	10/01/22	15,584,508	16,363,733
FNMA Pool #191570	7.50	12/01/22	10,027,434	10,397,145
FNMA Pool #191737	7.50	10/01/22	2,245,207	2,327,987
FNMA Pool #191897	7.50	11/01/22	9,949,259	10,316,088

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Government Sponsored: (Continued):				
FNMA Pool #194098	7.25	12/01/22	1,106,555	1,138,368
FNMA Pool #194099	7.25	12/01/22	1,691,804	1,740,443
FNMA Pool #194102	7.75	11/01/22	1,092,732	1,135,753
FNMA Pool #199361	7.00	12/01/22	1,023,571	1,041,156
FNMA Pool #199362	7.75	1/01/23	1,017,295	1,057,346
FNMA Pool #203145	8.00	9/01/22	1,423,671	1,494,855
FNMA Pool #203146	7.75	1/01/23	1,492,927	1,551,704
FNMA Pool #203147	7.50	2/01/23	3,242,395	3,361,942
FNMA Pool #203148	7.25	1/01/23	3,875,236	3,986,649
FNMA Pool #205180	7.00	2/01/23	2,518,049	2,561,309
FNMA Pool #205912	7.00	1/01/23	3,125,618	3,179,316
FNMA Pool #205913	8.00	10/01/22	5,285,969	5,550,268
FNMA Pool #205915	7.50	2/01/23	3,175,314	3,292,388
				313,264,300
Other Collateralized Mtg. Obligations:				
Citicorp Mtg Secs Inc	8.00	5/25/21	2,500,000	2,573,850
Citicorp Mtg Secs Inc	7.75	11/25/05	3,000,000	3,079,050
Community Program Ln Tr 1987 A	4.50	10/01/18	3,000,000	2,448,450
GE Cap Mtg Svcs Inc	7.50	11/25/18	5,250,000	5,487,878
MGIC Mtg Mkt Corp	15.25	10/01/12	126,222	126,222
MGIC Mtg Mkt Corp	13.38	1/01/11	264,673	264,673
Mass Mutual Life	8.95	2/01/00	2,383,503	2,723,152
Merrill Lynch Mtg Invs Inc	7.65	1/15/12	8,071,103	8,356,094
Merrill Lynch Mtg Invs Inc	7.75	7/15/17	1,000,000	1,060,930
PMI Mtg Corp	9.25	11/01/10	326,862	366,432
Prudential Home Mtg Secs Co	7.50	5/25/22	3,500,000	3,661,875
Residential Fdg Mtg Sec Conduit	8.13	11/25/20	10,000,000	10,375,000
Residential Fdg Mtg Sec Conduit	8.50	11/25/20	10,064,000	10,771,600
Salomon Bros Mtg Secs IV Inc	10.50	11/01/00	18,560	19,018
Sears Cr Account Tr	8.76	10/15/96	5,445,802	5,636,405

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
CORPORATE BONDS (CONTINUED):				
Other Collateralized Mtg. Obligations (Continued):				
Sears Cr Account Tr	8.68	12/26/96	4,062,820	4,146,352
Sears Cr Account Tr	8.49	12/27/96	181,477	179,436
Sears Mtg Fdg Tr 1986 1	8.50	4/01/17	1,191,879	1,223,166
Security Pac Accep Corp	7.25	12/15/11	16,277,232	16,877,374
Shearson Lehman CMO Inc	8.75	8/27/17	1,095,679	1,145,324
Travelers Ins Mtg	10.95	10/01/94	1,202,000	1,278,002
				81,800,283
GOVERNMENT BONDS:				
Other Marketable:				
Federal Home Ln Mtg Corp	8.00	3/15/21	2,000,000	2,145,620
Federal Home Ln Mtg Corp	7.00	11/15/19	2,500,000	2,616,400
Federal Home Ln Mtg Corp	8.00	12/15/18	10,000,000	10,775,000
Federal Home Ln Mtg Corp	7.50	11/15/19	10,000,000	10,343,700
Federal Home Ln Mtg Corp	7.50	12/15/20	36,627,690	36,604,615
Federal Home Ln Mtg Corp	6.75	1/15/21	23,900,000	23,690,875
Federal Home Ln Mtg Corp	8.00	12/15/07	9,824,000	10,643,616
Federal Home Ln Mtg Corp	8.00	3/15/21	16,397,810	16,577,038
Federal Home Ln Mtg Corp	8.00	4/15/21	5,000,000	5,398,400
Federal Home Ln Mtg Corp	8.00	8/15/21	23,472,000	24,374,029
Federal Home Ln Mtg Corp	8.00	8/15/22	20,000,000	20,043,600
Federal Home Ln Mtg Corp	7.50	9/15/05	8,676,000	9,172,094
Federal Home Ln Mtg Corp	7.50	12/15/21	13,300,000	13,191,871
Federal Home Ln Mtg Corp	7.50	1/15/22	20,000,000	20,450,000
Federal Natl Mtg Assn	7.50	1/25/07	22,000,000	23,257,960
Federal Natl Mtg Assn	7.50	3/25/21	20,918,792	21,101,831
Federal Natl Mtg Assn	7.50	11/25/19	10,000,000	10,356,200
Federal Natl Mtg Assn	8.00	1/25/07	13,806,000	14,957,835
Federal Natl Mtg Assn	8.00	11/25/21	25,000,000	25,382,750
Federal Natl Mtg Assn	8.00	8/25/18	7,430,000	8,008,128
Federal Natl Mtg Assn	8.00	10/25/21	29,430,000	30,119,545
Federal Natl Mtg Assn Gtd	8.00	3/25/09	10,000,000	10,834,300
Federal Natl Mtg Assn	7.50	1/25/21	24,509,203	24,784,932
Federal Natl Mtg Assn	8.00	12/25/20	17,475,000	18,550,761
Federal Natl Mtg Assn	8.00	3/25/21	19,976,000	20,082,073
Federal Natl Mtg Assn	8.00	1/25/22	21,700,000	23,408,875

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
GOVERNMENT BONDS (CONTINUED):				
Other Marketable (Continued):				
Federal Natl Mtg Assn	7.50	11/25/21	18,200,000	18,131,750
Federal Natl Mtg Assn	6.65	1/25/17	20,000,000	20,318,600
Federal Natl Mtg Assn	7.00	10/25/20	15,000,000	14,296,800
Federal Natl Mtg Assn	7.05	4/25/22	20,162,000	19,960,380
Resolution Tr Corp Mtg Pass	7.75	7/25/30	15,180,056	15,787,258
Resolution Tr Corp Mtg Pass	8.63	7/25/30	15,345,476	16,131,931
Resolution Tr Corp Mtg Pass	8.35	6/25/29	490,039	500,839
Springfield Inst For Svgs	6.33	11/1/96	2,892,020	2,661,563
Yankee Bank (Mass)	6.20	12/31/94	1,191,688	1,145,581
				545,806,750
U.S. Guaranteed:				
GNMA Pool #145651	9.00	6/15/16	49,079	53,036
GNMA Pool #161786	9.00	7/15/16	58,040	62,719
GNMA Pool #161876	9.00	4/15/16	798,552	862,932
GNMA Pool #161935	9.00	5/15/16	764,564	826,204
GNMA Pool #164418	9.00	7/15/16	65,617	70,907
GNMA Pool #166133	9.00	9/15/16	817,721	883,646
GNMA Pool #168758	9.00	8/15/16	585,369	632,561
GNMA Pool #169717	9.00	9/15/16	61,741	66,719
GNMA Pool #169903	9.00	6/15/16	57,377	62,003
GNMA Pool #177041	9.00	10/15/16	18,346	19,825
GNMA Pool #177463	9.00	8/15/16	60,812	65,714
GNMA Pool #179791	9.00	11/15/16	51,902	56,087
GNMA Pool #180220	9.00	10/15/16	787,654	851,155
GNMA Pool #182504	9.00	10/15/16	51,778	55,952
GNMA Pool #191894	8.00	5/15/17	4,150,088	4,396,479
GNMA Pool #206104	8.50	4/15/17	9,276,269	9,934,235
GNMA Pool #212114	8.00	4/15/17	12,291,821	13,021,586
GNMA Pool #225968	8.50	7/15/17	7,861,624	8,419,249
GNMA Pool #235962	9.50	5/15/22	846,785	925,113
GNMA Pool #264218	8.00	4/15/23	4,732,295	5,013,251
GNMA Pool #288137	9.50	4/15/20	1,507,929	1,647,412
GNMA Pool #295287	8.00	4/15/23	508,701	538,903
GNMA Pool #298582	8.00	11/15/21	18,318,449	19,406,015

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
GOVERNMENT BONDS (CONTINUED):				
U.S. Guaranteed (Continued):				
GNMA Pool #302892	9.00	5/15/21	6,214,237	6,715,228
GNMA Pool #303423	9.00	8/15/21	2,408,395	2,602,560
GNMA Pool #312001	8.50	7/15/21	8,546,364	9,171,834
GNMA Pool #312460	8.50	8/15/21	8,641,842	9,254,808
GNMA Pool #312959	8.50	8/15/21	11,335,880	12,139,933
GNMA Pool #316170	8.00	5/15/22	9,505,245	10,069,571
GNMA Pool #316208	8.00	2/15/22	9,800,064	10,381,893
GNMA Pool #320795	8.00	4/15/22	9,316,722	9,869,856
GNMA Pool #320804	7.50	4/15/22	9,799,601	10,200,698
GNMA Pool #323058	8.00	4/15/22	9,505,723	10,070,078
GNMA Pool #323416	8.00	5/15/22	9,503,804	10,068,045
GNMA Pool #324485	9.50	5/15/22	794,689	868,198
GNMA Pool #325201	8.00	5/15/22	9,464,280	10,026,175
GNMA Pool #329135	7.50	9/15/22	4,840,448	5,038,568
GNMA Pool #329778	7.50	9/15/22	4,860,383	5,059,319
GNMA Pool #330536	7.50	9/15/22	4,844,061	5,042,329
GNMA Pool #330912	7.50	11/15/22	9,939,506	10,346,330
GNMA Pool #336469	8.00	4/15/23	3,386,071	3,587,102
GNMA Pool #337591	7.50	12/15/22	10,110,387	10,524,205
GNMA Pool #338251	7.50	11/15/22	9,879,129	10,283,482
GNMA Pool #340507	8.00	4/15/23	902,678	956,269
				230,148,184
State and Local Debt:				
New York, NY	9.35	2/01/02	1,800,000	1,949,778
Direct:				
United States Treas Bds	9.88	11/15/15	13,530,000	18,612,139
United States Treas Bds	9.38	2/15/06	9,000,000	11,638,080
United States Treas Bds	7.25	5/15/16	1,800,000	1,919,808
United States Treas Bds	7.25	8/15/22	27,316,000	29,210,911
United States Treas Bds	7.63	11/15/22	6,000,000	6,707,820
United States Treas Bds	7.13	2/15/23	15,300,000	16,184,493
United States Treas Nts	7.50	11/15/01	58,000,000	65,105,000
United States Treas Nts	7.00	4/15/99	65,000	70,646,550
United States Treas Nts	6.38	7/15/99	50,819,000	53,661,815
United States Treas Nts	5.50	7/31/97	65,000,000	66,777,100
United States Treas Nts	6.38	8/15/02	136,000,000	141,864,320
United States Treas Nts	5.50	9/30/97	7,000,000	7,175,000

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Coupon Rate	Maturity Date	Principal Amount	Value
GOVERNMENT BONDS (CONTINUED):				
Direct (Continued):				
United States Treas Nts	6.38	1/15/00	38,350,000	40,411,313
United States Treas Nts	5.63	1/31/98	53,758,000	55,219,680
United States Treas Nts	6.25	2/15/03	30,000,000	31,031,100
United States Treas Nts	4.13	6/30/95	2,370,000	2,374,811
United States Treas Nts	7.38	5/15/96	25,588,000	27,615,081
United States Treas Nts	9.25	8/15/98	6,650,000	7,891,688
United States Tres Sc Strp Int	0.01	2/15/11	65,090,000	19,227,586
United States Tres Sc Strp Int	0.01	5/15/01	68,000,000	43,454,040
United States Tres Sc Strp Int	0.01	11/15/15	15,550,000	3,153,851
United States Tres Sc Strp Int	0.01	8/15/18	7,500,000	1,244,025
				721,126,211
Guaranteed:				
SBA GP 5302393009	7.38	12/15/99	290,110	308,387
SBA GP 4575293004	7.13	11/15/98	111,434	116,560
SBA GP 5081143010	7.38	11/15/99	38,400	40,666
SBA GP 5250703003	7.38	12/15/99	58,913	62,418
				528,031
Call Options Purchased:				
Deutsche Mark	1.74	8/93	49,100,000	214,518
French Franc	8.50	9/93	28,000,000	132,496
Japanese Yen	101.44	7/93	775,000,000	95,325
JGB	106.21	3/93	1,487,948,332	171,114
German Mark	1.62	7/93	8,100,000	13,819
German Mark	1.61	7/93	10,539,060	86,568
DEM/FRF	3.38	12/93	18,500,000	24,050
French Franc	16.07	12/93	428,100,000	491,459
				1,229,349

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Strike Price	Exercise Date	Principal Amount of Contracts	Value
Put Options Purchased:				
U.S. Treasury Note	99.73	3/95	11,100,000	47,730
U.S. Treasury Note	99.53	3/95	11,100,000	22,200
CHF	1.59	10/93	20,818,400	97,513
CHF	1.38	4/94	8,538,328	586,071
CAD	1.31	8/93	3,920,000	25,707
German Mark	1.67	9/93	10,910,218	440,773
Japanese Yen/U.S. Dollar	107.00	7/93	359,108	20
				1,220,014

	Maturity Date	Principal Amount	Value
SHORT-TERM INVESTMENTS:			
GBP Call Deposit		$4,618,281	3,075,491
Greece Treas Bill	5/31/94	1,430,000	5,071,360
Mexican Cetes	1/6/94	516,200	525,764
			8,672,615
TOTAL INVESTMENTS			$6,955,522,991

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST CAPITAL FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Strike Price	Exercise Date	Principal Amount of Contracts	Value
CALL OPTIONS WRITTEN:				
JPY	120	7/93	471,600,000	($ 478,202)
JPY/DEM	68.1	4/94	445,800,000	(446,245)
CHF	1.35	4/94	8,383,086	(575,440)
GBP/DEM	2.498	7/93	2,406,419	(77,378)
DEM	1.56	8/93	3,874,462	(22,824)
DEM	1.63	9/93	10,669,980	(50,149)
				(1,650,238)
TOTAL CALL OPTIONS WRITTEN (PREMIUMS RECEIVED $632,539)				
PUT OPTIONS WRITTEN:				
DEM	1.85	4/94	11,487,932	(141,313)
DEM	1.67	8/93	4,147,664	(82,463)
GBP/DEM	2.448	9/93	2,708,400	(23,812)
DEM/JPY	65.5	9/93	8,330,038	(279,947)
DEM	1.6461	7/93	8,230,500	(14,041)
DEM/JPY	63.15	6/94	2,619,000	(92,503)
DEM/FRF	3.36	12/93	18,500,000	(51,804)
GBP/DEM	2.498	7/93	2,406,419	(56,413)
TOTAL PUT OPTIONS WRITTEN (PREMIUMS RECEIVED $284,524)				(742,296)
TOTAL				($2,392,534)

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEM TRUST CASH FUND

PORTFOLIO OF INVESTMENTS
JUNE 30, 1993

	Rate	Maturity Date	Principal Amount	Value
REPURCHASE AGREEMENTS				
KIDDER PEABODY	3.45%	7/1/93	$69,000,000	$ 69,000,000
BARCLAYS DEZEOTE	3.30	7/1/93	69,000,000	69,000,000
SMITH BARNEY HARRIS	3.40	7/1/93	69,000,000	69,000,000
BEAR STERNS	3.30	7/1/93	69,000,000	69,000,000
MORGAN STANLEY	3.40	7/1/93	69,000,000	69,000,000
TOTAL REPURCHASE AGREEMENTS				345,000,000
COMMERCIAL PAPER				
PEPSICO	3.06%	7/1/93	$10,000,000	10,000,000
TRANS AMERICA CORP.	3.05	7/2/93	10,000,000	10,000,000
TOTAL COMMERCIAL PAPER				20,000,000
MONEY MARKET INSTRUMENTS				
SHEARSON LEHMAN PROV FED TR FD	3.01%		$ 4,957,464	4,957,464
TOTAL INVESTMENTS, AT VALUE				$369,957,464

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

STATEMENTS OF ASSETS AND LIABILITIES
JUNE 30, 1993

	Capital Fund	Cash Fund
ASSETS:		
Repurchase agreements, at value (Notes 1h and 8)	$ -	$345,000,000
Other investments, at value (Notes 1b and 8) (average cost, $6,233,205,440 and $24,957,464, respectively - Note 1a)	6,955,522,991	24,957,464
Total investments, at value	6,955,522,991	369,957,464
Cash equivalents (Notes 1c and 8)	208,996,755	-
Foreign currency, at value (Note 1e) (cost, $13,089,051)	12,645,447	-
Receivable for forward foreign currency exchange contracts sold (Notes 1j and 7)	630,047,754	-
Forward foreign currency exchange contracts purchased, at value (Notes 1j and 7)	445,989,777	-
Receivable for investments sold	91,401,940	-
Dividends, interest and other receivables	57,724,183	241,119
Total assets	8,402,328,847	370,198,583
LIABILITIES:		
Payable for investments purchased	95,776,408	-
Written options, at value (premiums received, $917,063) (Note 1i)	2,392,534	-
Payable for forward foreign currency exchange contracts purchased (Notes 1j and 7)	449,108,442	-
Forward foreign currency exchange contracts sold, at value (Notes 1j and 7)	620,018,759	-
Accrued expenses and other liabilities	2,980,048	18,376
Total liabilities	1,170,276,191	18,376
NET ASSETS	$7,232,052,656	$370,180,207
NET ASSETS CONSIST OF THE FOLLOWING:		
Paid-in capital	$5,155,280,129	$370,180,207
Accumulated net realized gain on investments and foreign currency	1,140,322,494	-
Unrealized appreciation of investments and foreign currency	727,613,723	-
Undistributed net investment income	208,836,310	-
Total	$7,232,052,656	$370,180,207

(Continued)

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

STATEMENTS OF ASSETS AND LIABILITIES
JUNE 30, 1993

	Capital Fund	Cash Fund
UNITS OF PARTICIPATION OUTSTANDING OWNED BY:		
Commonwealth of Massachusetts State Employees' Annuity Fund	27,242,805	23,800,615
Commonwealth of Massachusetts Teachers' Annuity Fund	30,763,944	202,638,676
Capital Fund	-	143,740,916
Total units of participation outstanding	58,006,749	370,180,207
NET ASSET VALUE, OFFERING PRICE, AND REDEMPTION PRICE PER UNIT	$124.68	$1.00

See notes to financial statements.

(Concluded)

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

STATEMENTS OF OPERATIONS
YEAR ENDED JUNE 30, 1993

	Capital Fund	Cash Fund
NET INVESTMENT INCOME:		
Income:		
Interest	$244,118,007	$13,514,385
Dividends	95,461,445	-
Other	3,657,583	-
Total income	343,237,035	13,514,385
Expenses:		
Investment management fee (Note 5)	8,994,594	-
Custodian fee	2,343,670	240,239
Foreign taxes withheld	1,748,839	-
Other operating expenses	1,002,540	-
Total expenses	14,089,643	240,239
Net investment income	329,147,392	13,274,146
REALIZED AND UNREALIZED GAIN ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS:		
Net realized gain on investments and foreign currency transactions	214,611,640	-
Net increase in unrealized appreciation of investments and foreign currency	311,772,898	-
Net realized and unrealized gain on investments and foreign currency transactions	526,384,538	-
NET INCREASE IN NET ASSETS FROM OPERATIONS	$855,531,930	$13,274,146

See notes to financial statements.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1993 AND 1992

	Capital Fund	
	1993	1992
INCREASE IN NET ASSETS:		
Operations:		
Net investment income	$ 329,147,392	$ 321,675,627
Net realized gain on investments and foreign currency transactions	214,611,640	172,547,951
Net increase in unrealized appreciation of investments and foreign currency	311,772,898	248,049,440
Net increase in net assets from operations	855,531,930	742,273,018
Dividends to unitholders from net investment income (Note 2)	(344,843,050)	(309,664,747)
Net increase from Trust unit transactions (Note 3)	415,419,004	326,514,426
Net increase in net assets	926,107,884	759,122,697
NET ASSETS:		
Beginning of year	6,305,944,772	5,546,822,075
End of year (including undistributed net investment income of $208,836,310 and $224,531,968, respectively)	$7,232,052,656	$6,305,944,772

See notes to financial statements.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1993 AND 1992

	Cash Fund	
	1993	1992
FROM OPERATIONS - Net income, declared as dividends to unitholders (Note 2)	$ 13,274,146	$ 20,808,740
FROM TRUST UNIT (PRINCIPAL) TRANSACTIONS AT NET ASSET VALUE OF $1.00 PER SHARE (Note 3):		
Proceeds from sale of units	$6,131,444,643	$7,638,408,963
Net asset value of units issued to unitholders in payment of dividends declared	13,274,146	20,808,740
Cost of units reacquired	(6,194,439,165)	(7,695,611,280)
Net decrease in net assets	(49,720,376)	(36,393,577)
NET ASSETS:		
Beginning of year	419,900,583	456,294,160
End of year	$ 370,180,207	$ 419,900,583

See notes to financial statements.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

PER UNIT AND OTHER DATA

	Capital Fund Year Ended June 30				
	1993	1992	1991	1990	1989
PER UNIT DATA (for a unit outstanding throughout each year):					
Investment income	$ 6.00	$ 6.55	$ 6.32	$ 6.82	$ 5.47
Expenses	(.25)	(.35)	(.33)	(.22)	(.18)
Net investment income	5.75	6.20	5.99	6.60	5.29
Dividends from net investment income	(6.11)	(5.96)	(6.55)	(6.31)	(6.75)
Net realized and unrealized gain on investments and foreign currency	7.92	7.45	.53	3.32	6.89
Net increase (decrease) in net asset value	7.56	7.69	(0.03)	3.61	5.43
Net asset value:					
Beginning of year	117.12	109.43	109.46	105.85	100.42
End of year	$124.68	$117.12	$109.43	$109.46	$105.85
RATIOS:					
Expenses to average net assets	0.21%	0.30%	0.30%	0.21%	0.22%
Net investment income to average net assets	4.76%	5.22%	5.57%	6.15%	6.44%
PORTFOLIO TURNOVER	109%	138%	171%	71%	47%
NUMBER OF UNITS OUTSTANDING AT END OF YEAR (000 omitted)	58,007	53,844	50,687	45,092	42,547

See notes to financial statements.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES
RETIREMENT SYSTEMS TRUST

PER UNIT AND OTHER DATA

	Cash Fund Year Ended June 30				
	1993	1992	1991	1990	1989
PER UNIT DATA (for a unit outstanding throughout each year):					
Interest income	$0.034654	$0.047853	$0.072466	$0.086928	$0.087985
Expenses	0.000534	(0.000551)	(0.000580)	(0.000588)	(0.000593)
Net investment income	$0.034120	$0.047302	$0.071886	$0.086340	$0.087392
Dividends declared from net investment income	$0.034120	$0.047302	$0.071886	$0.086340	$0.087392
Net asset value per unit	$1.00	$1.00	$1.00	$1.00	$1.00
RATIOS:					
Expenses to average net assets	0.06%	0.06%	0.06%	0.06%	0.06%
Net investment income to average net assets	3.35%	5.11%	7.54%	8.56%	8.90%
NUMBER OF UNITS OUTSTANDING, END OF YEAR (000 omitted)	370,180	419,901	456,294	765,466	584,399

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The Massachusetts State Teachers and Employees Retirement Systems Trust (the Trust) is a combined investment fund for the Commonwealth of Massachusetts State Employees' Annuity Fund (Employees) and the Commonwealth of Massachusetts Teachers' Annuity Fund (Teachers). The Trust consists of two investment funds, known as the Capital Fund and the Cash Fund. The Trust was established by the Treasurer of the Commonwealth, as Trustee, under a Declaration of Trust dated January 1, 1989, pursuant to authority granted under MGLA, Chapter 29, Section 38a.

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

a. Cost of Investments - The Trust's initial portfolio was acquired in an exchange of Trust units for trust units held by unitholders in Treasurer's Management Trust, Treasurer's Fixed Income Securities Trust, and Treasurer's Cash Management Trust. The cost at which investments are carried on the books and in the financial statements is based on the cost as reflected on the records of the three predecessor investment funds or, if acquired subsequently, on purchase cost.

b. Investment Valuations - Securities (including options) listed on security exchanges or reported through the NASDAQ national market are valued at closing sales prices. If no sale has been reported, the last published sale or the mean between the last bid-and-asked prices, whichever is more recent, is used. If such price is unavailable or if, in the opinion of the Trustee, the value thus obtained does not fairly indicate the actual market value, the security is valued by a reputable broker or investment banker selected by the Trustee. Unlisted securities shall be valued either by taking the mean between the most recent published bid-and-asked prices, or by averaging quotations obtained from dealers, brokers or investment bankers approved by the Trustee. Short-term obligations are valued at amortized cost, which approximates value. Securities for which such valuations are unavailable are appraised at their fair value as determined in good faith by the investment managers responsible for such investments, at the direction of the Trustee.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Cash Equivalents - Cash equivalents represent cash in banks and short-term, highly liquid securities having maturities of three months or less. $143,740,916 of this balance represents investments of the Capital Fund in the Cash Fund and are recorded at cost plus interest earned, which approximates value. The remaining balance ($65,255,839) represents cash in a bank. $100,000 of this amount is insured; the remaining balance is uninsured and not collateralized. Purchases and sales of investments in the Cash Fund by the Capital Fund aggregated $3,759,176,166 and $4,236,463,344, respectively.

d. Federal Income Taxes - The Commonwealth of Massachusetts is not subject to federal income tax, accordingly, the Trust is exempt from federal income tax.

e. Foreign Currency Translation - Investment valuations, other assets and liabilities initially expressed in foreign currencies, are converted into U.S. dollars based upon current exchange rates. Purchases and sales of foreign investment securities and income and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the dates of such transactions.

f. Income - For the Capital Fund, interest income is determined on the basis of interest accrued and discount earned, adjusted for amortization of premium or discount on long-term debt securities. Dividend income is recorded on the ex-dividend date. For the Cash Fund, interest income consists of interest accrued and discount earned, plus or minus net realized gain or loss, if any, on investments.

g. Expenses - All of the expenses of the Trust, with the exception of the custodian fee, are borne by the Capital Fund. The custodian fee applicable to the Capital Fund and the Cash Fund is borne by each Fund.

h. Repurchase Agreements - It is the policy of the Trust to require the custodian bank to take possession, or to have segregated within the custodian bank's vault, all securities held as collateral in support of repurchase agreement investments. Additionally, procedures have been established by the Trust to monitor, on a daily basis, the market value of the repurchase agreement's underlying securities to ensure the existence of a proper level of collateral.

i. Written Options - The Trust may write call or put options for which premiums are received and are recorded as liabilities, and are subsequently adjusted to the current value of the options written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or are closed are offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Trust. The Trust, as writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Forward Foreign Currency Exchange Contracts - The Trust may enter into forward foreign currency exchange contracts to manage its exposure to the risk of fluctuating foreign currency exchange rates. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The forward foreign currency exchange contracts are adjusted by the exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the contract settlement date.

k. Other - Investment transactions are accounted for on the trade date.

2. DISTRIBUTIONS

a. Cash Fund - The net income of the Cash Fund is determined daily, and all of the net income so determined is declared as a dividend to shareholders of record at the time of the declaration. Distributions are paid monthly in the form of additional shares of the Fund.

b. Capital Fund - It is the current practice of the Capital Fund to declare and pay semiannual distributions of substantially all of the net investment income earned by the Fund.

3. UNITS OF PARTICIPATION

The Declaration of Trust permits the Trustee to issue an unlimited number of full and fractional units of participation (without par value). Units of participation in the Capital Fund may be issued only to the Employees and Teachers. Units of participation in the Cash Fund may be issued to the Employees, Teachers, and the Capital Fund.

Transactions in Capital Fund units were as follows:

	Year Ended June 30			
	1993		1992	
	Units	Amount	Units	Amount
Sales	7,077,968	$695,890,128	27,707,786	$2,806,750,314
Reacquired	(2,998,323)	(280,471,124)	(24,550,708)	(2,480,235,888)
Net increase	4,079,645	$415,419,004	3,157,078	$ 326,514,426

4. PURCHASES AND SALES OF INVESTMENTS

Purchases and sales of investments of the Capital Fund, other than short-term obligations, aggregated $7,343,950,709 and $6,931,871,037, respectively. Purchases and maturities and sales of investments of the Cash Fund, not including repurchase agreements, aggregated $2,088,789,427 and $2,285,681,197, respectively.

5. INVESTMENT MANAGEMENT SERVICES

The Trust has engaged a number of investment managers to perform investment advisory and management services for a portion of the assets of the Capital Fund. For their services, the investment managers are compensated based on the amount of assets of the Trust that they have under management or that the Trust has committed to invest with them. The remainder of the Trust's assets are managed by employees of the Commonwealth of Massachusetts. No investment management fees are paid on assets managed by these employees. All employees of the Commonwealth received remuneration for their services to the Trust from the Commonwealth. Total investment management fees paid during the year ended June 30, 1993, amounted to $8,994,594, representing .13% of the Capital Fund's average net assets.

6. NOT READILY MARKETABLE INVESTMENTS

The Capital Fund has acquired a number of interests in venture capital and real estate funds, limited partnerships, futures pools, international hedge pools, commodities pools, balanced pools and alternative investment pools which consist principally of investments that are not readily marketable. At June 30, 1993, such investments represented 6.7% of net assets. These investments have been valued at fair value, as determined in good faith by management. As of June 30, 1993, the Trust was committed to invest an additional $16,800,000 in certain limited partnerships.

7. FINANCIAL INSTRUMENTS

The Trust regularly trades financial instruments with off-balance sheet risk in the normal course of its investing activities and to assist in managing exposure to market risks such as interest rates. These financial instruments include written options, forward foreign currency contracts and investments in international hedge pools, commodities pools and futures pools.

The notional or contractual amounts of these instruments represent the investment the Trust has in particular classes of financial instruments and does not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. At June 30, 1993, several investment pools of the Trust held the following forward foreign currency exchange contracts.

7. FINANCIAL INSTRUMENTS (CONTINUED)

Transaction	Settlement Date		Contract to Receive/Deliver	In Exchange For	Net Unrealized Appreciation (Depreciation)
Purchases	7/2/93-7/12/93	ATS	29,673,085	$ 2,477,427	$ 169
	7/2/93-8/20/93	AUD	8,416,099	5,744,392	(85,162)
	3/13/94	CAD	3,434,823	2,684,504	16
	7/2/93-10/18/93	CHF	55,202,744	37,116,268	(221,391)
	7/1/93-3/21/94	DEM	409,346,033	247,830,265	(3,174,227)
	7/1/93	DKK	5,400	833	(9)
	7/1/93-9/2/93	ESP	2,778,087,488	21,685,125	95,284
	7/1/93-7/21/93	FIM	17,647,685	3,138,396	17,396
	7/1/93-8/31/93	FRF	34,551,515	6,352,038	(368,391)
	7/1/93-10/1/93	GBP	22,967,352	34,523,043	(158,713)
	7/1/93	IEP	1,367,912	1,954,335	38,712
	8/31/93-3/21/94	ITL	12,737,033,729	7,874,106	277,597
	7/1/93-10/7/93	JPY	7,124,910,958	65,083,728	561,693
	7/2/93-7/6/93	NLG	19,753,267	10,352,521	(15,984)
	7/1/93-7/15/93	SEK	14,573,781	2,012,137	(86,588)
	7/1/93-7/2/93	TKL	3,064,184,689	279,324	933
				$449,108,442	($ 3,118,665)
Sales	7/7/93-8/27/93	AUD	5,858,950	$ 4,011,805	$ 53,340
	9/16/93-9/20/93	BEF	135,216,337	3,996,816	163,433
	7/6/93-3/31/94	CAD	14,302,089	11,134,123	(10,068)
	7/2/93-10/18/93	CHF	43,370,735	29,027,087	129,709
	7/1/93-3/21/94	DEM	475,219,563	288,357,586	5,191,038
	7/6/93-9/14/93	DKK	95,224,886	15,170,379	756,089
	7/1/93-10/1/93	ESP	5,429,173,325	44,288,168	2,345,475
	7/1/93-7/21/93	FIM	19,832,400	3,534,796	(2,307)
	7/2/93-9/29/93	FRF	340,419,561	59,409,777	338,622
	7/1/93-10/6/93	GBP	15,243,464	23,095,315	225,657
	7/1/93	HKD	1,103,947	142,518	(45)
	7/1/93-10/1/93	IEP	4,004,026	5,817,095	82,287
	7/19/93-3/21/94	ITL	34,246,810,595	22,287,891	352,051
	7/1/93-10/6/93	JPY	10,008,164,679	92,412,943	(240,066)
	9/14/93	NLG	13,817,325	7,500,000	318,169
	7/16/93	NZD	2,500,000	1,342,750	2,525
	7/7/93-9/30/93	SEK	92,400,110	12,196,441	282,587
	7/1/93	SGD	73,574	45,257	(33)
	7/2/93	ECU	5,427,217	6,277,007	40,532
				$630,047,754	$10,028,995

ATS = Austrian Schilling
AUD = Australian Dollars
BEF = Belgian Francs
CAD = Canadian Dollars
CHF = Swiss Francs
DEM = Deutsche Marks
DKK = Danish Kroner
ECU = European Currency Unit
ESP = Spanish Pesetas
FIM = Finnish Markka
FRF = French Francs
GBP = British Pounds
HKD = Hong Kong Dollars
IEP = Irish Punts
ITL = Italian Lire
JPY = Japanese Yen
NLG = Netherland Guilder
NZD = New Zealand Dollars
SGD = Singapore Dollars
SEK = Swedish Kronor
TKL = Turkish Lira

8. CASH EQUIVALENTS AND INVESTMENTS RISK LEVELS

The Commonwealth of Massachusetts and the Trust's Operating Trust Agreement authorize the investment without limitation in bonds, debentures, notes, certificates and other evidence of indebtedness, whether or not in registered form, interest in real estate, venture capital and leveraged buyout investments, common and preferred stocks and all other forms of certificates representing an interest or participation in any enterprise, whether or not incorporated.

The cash equivalents and investments of the Capital Fund and the Cash Fund are categorized in the following table to give an indication of the level or risk assumed by the entity at June 30, 1993. The amounts shown below represent carrying value which equals market value at June 30, 1993:

- Category 1 includes investments that are insured or registered or for which the securities are held by the Fund or its agent in the Fund's name.

- Category 2 includes uninsured and unregistered cash equivalents and investments for which the securities are held by the financial institution's, broker's or dealer's trust department or agent in the Fund's name.

- Category 3 includes uninsured and unregistered cash equivalents and investments for which the securities are held by the financial institution, broker or dealer; or investments held by the financial institution's, broker's or dealer's trust department or agent but not in the Fund's name.

	Category			Total
	1	2	3	Market Value
Foreign securities	$ 961,920,768	$ -	$ -	$ 961,920,768
Domestic equities	2,562,554,087	-	-	2,562,554,087
Corporate bonds and notes	963,288,437	-	-	963,288,437
U.S. Government and government agency securities	1,970,208,663	-	-	1,970,208,663
Municipal bonds	1,949,778	-	-	1,949,778
Commercial paper	-	-	8,672,615	8,672,615
Options and futures contracts	-	-	30,616,891	30,616,891
Subtotal	$6,459,921,733	$ -	$39,289,506	6,499,211,239
Real estate and venture capital limited partnerships				432,891,712
Money market funds				370,198,583
Mutual funds				16,858,399
Insurance contracts				6,561,641
Total				$7,325,721,574

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